

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Form 10-Q**

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2026.

OR

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

FOR THE TRANSITION PERIOD FROM TO .

Commission File Number: 333-179121

**HUGHES**<sup>®</sup>

An EchoStar Company

**Hughes Satellite Systems Corporation**

(Exact name of registrant as specified in its charter)

<p style="text-align: center;"><b>Colorado</b> (State or other jurisdiction of incorporation or organization)</p>	<p style="text-align: center;"><b>45-0897865</b> (I.R.S. Employer Identification No.)</p>
<p style="text-align: center;"><b>9601 South Meridian Boulevard Englewood, Colorado</b> (Address of principal executive offices)</p>	<p style="text-align: center;"><b>80112-5308</b> (Zip Code)</p>
<p style="text-align: center;"><b>(303) 723-1000</b> (Registrant's telephone number, including area code)</p>	<p style="text-align: center;"><b>Not Applicable</b> (Former name, former address and former fiscal year, if changed since last report)</p>

Securities registered pursuant to Section 12(b) 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>		

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

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

As of April 30, 2026, the registrant's outstanding common stock consisted of 1,078 shares of common stock, \$0.01 par value per share.

The Registrant meets the conditions set forth in General Instructions (H)(1)(a) and (b) of Form 10-Q and is therefore filing this Quarterly Report on Form 10-Q with the reduced disclosure format.

\* The Registrant currently is not subject to the filing requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 and is filing this Quarterly Report on Form 10-Q on a voluntary basis. The Registrant 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 as if it were subject to such filing requirements during such period.

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\* This item has been omitted pursuant to the reduced disclosure format as set forth in General Instructions (H)(2)(a) of Form 10-Q.

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## DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Unless otherwise required by the context, in this report, the words “HSSC,” the “Company,” “we,” “our” and “us” refer to Hughes Satellite Systems Corporation and its subsidiaries, “EchoStar” refers to EchoStar Corporation, our parent company, “DISH Network” refers to DISH Network Corporation, a wholly owned, indirect subsidiary of EchoStar, 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 contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including, in particular, statements about our plans, objectives and strategies, growth opportunities in our industries and businesses, our expectations regarding future results, financial condition, liquidity and capital requirements, our estimates regarding the impact of regulatory developments and legal proceedings, and other trends and projections. Forward-looking statements are not historical facts and may be identified by words such as “future,” “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “estimate,” “expect,” “predict,” “will,” “would,” “could,” “can,” “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. Forward-looking statements are not guarantees of future performance, events or results and involve known and unknown risks, uncertainties and other factors, which may be beyond our 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, those summarized below:

### SUMMARY OF RISK FACTORS

#### Competition and Economic Risks

- We face intense and increasing competition from providers of broadband services. Changing consumer behavior and new technologies in our industry 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.
- 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.
- Our business is partially dependent on enterprise revenue and any decline or reduction of that revenue could negatively impact our business, financial condition and results of operations.

#### 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 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.
- Our foreign operations and investments expose us to risks and restrictions not present in our domestic 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.
- Changes in trade policies, including, but not limited to, tariffs and other restrictions, could, among other things, increase our costs, disrupt our supply chain and negatively affect our business, operations and financial condition.
- 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 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 Related to our Satellites**

- Our owned and leased satellites in orbit are subject to significant operational and environmental risks that could limit our ability to utilize these satellites.
- Our use of certain satellites is often dependent on satellite coordination agreements, which may be difficult to obtain.

#### **Risks Related to our Products and Technology**

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

- Our parent, EchoStar, has experienced and we 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 currently do not have the necessary cash on hand, projected future cash flows or committed financing to fund our obligations over the next twelve months, which raises substantial doubt about our ability to continue as a going concern.
- 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 will need additional capital, which may not be available on favorable terms or at all, to fund current obligations, to continue investing in our business and to finance acquisitions and other strategic transactions.
- Our parent, EchoStar is controlled by one principal stockholder who is also our Chairman.

## **Risks Related to the Regulation of 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.

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 Quarterly Report on Form 10-Q and in Part I, Item 1A of our most recent Annual Report on Form 10-K (the "10-K") filed with the Securities and Exchange Commission ("SEC"), those discussed in "Management's Narrative Analysis of Results of Operations" herein and in 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. The forward-looking statements speak only as of the date made, and we expressly disclaim any obligation to update these forward-looking statements.

Item 1. FINANCIAL STATEMENTS

HUGHES SATELLITE SYSTEMS CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share amounts)

(Unaudited)

	As of	
	March 31, 2026	December 31, 2025
<b>Assets</b>		
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 101,628	\$ 118,765
Trade accounts receivable and contract assets, net of allowance for credit losses of \$14,843 and \$17,559, respectively	286,730	311,723
Prepays and other assets	65,479	62,018
Inventory	186,180	182,401
Other current assets	63,694	72,511
<b>Total current assets</b>	<b>703,711</b>	<b>747,418</b>
<i>Noncurrent Assets:</i>		
Property and equipment, net	420,660	442,203
Operating lease assets	298,062	313,066
Intangible assets, net	3,833	4,118
Other investments	19,439	22,144
Deferred tax assets	220,776	220,589
Other noncurrent assets, net	237,139	247,704
<b>Total noncurrent assets</b>	<b>1,199,909</b>	<b>1,249,824</b>
<b>Total assets</b>	<b>\$ 1,903,620</b>	<b>\$ 1,997,242</b>
<b>Liabilities and Stockholder's Equity (Deficit)</b>		
<i>Current Liabilities:</i>		
Trade accounts payable	\$ 93,652	\$ 90,258
Contract liabilities	65,855	76,580
Accrued interest	20,476	38,613
Accrued compensation	26,165	39,423
Accrued expenses	61,632	61,713
Operating lease liabilities	180,054	176,615
Other current liabilities	36,187	43,827
Current portion of debt and other notes payable (Note 8)	1,510,174	1,508,730
<b>Total current liabilities</b>	<b>1,994,195</b>	<b>2,035,759</b>
<i>Long-Term Obligations, Net of Current Portion:</i>		
Long-term debt and other notes payable, net of current portion (Note 8)	23,390	27,129
Operating lease liabilities, noncurrent	675,763	708,958
Other noncurrent liabilities	66,783	78,013
<b>Total long-term obligations, net of current portion</b>	<b>765,936</b>	<b>814,100</b>
<b>Total liabilities</b>	<b>2,760,131</b>	<b>2,849,859</b>
Commitments and Contingencies (Note 9)		
<i>Stockholder's Equity (Deficit):</i>		
Common stock, \$0.01 par value, 1,000,000 shares authorized, 1,078 shares issued and outstanding at both March 31, 2026 and December 31, 2025	—	—
Additional paid-in capital	1,507,278	1,504,364
Accumulated other comprehensive income (loss)	(168,129)	(168,706)
Accumulated earnings (deficit)	(2,239,502)	(2,232,193)
<b>Total HSSC stockholder's equity (deficit)</b>	<b>(900,353)</b>	<b>(896,535)</b>
Noncontrolling interests	43,842	43,918
<b>Total stockholder's equity (deficit)</b>	<b>(856,511)</b>	<b>(852,617)</b>
<b>Total liabilities and stockholder's equity (deficit)</b>	<b>\$ 1,903,620</b>	<b>\$ 1,997,242</b>

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

**HUGHES SATELLITE SYSTEMS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**AND COMPREHENSIVE INCOME (LOSS)**

(Dollars in thousands)  
(Unaudited)

	For the Three Months Ended March 31,	
	2026	2025
<b>Revenue:</b>		
Service revenue	\$ 249,491	\$ 277,701
Equipment sales and other revenue	75,423	88,363
Total revenue	<u>324,914</u>	<u>366,064</u>
<b>Costs and Expenses (exclusive of depreciation and amortization):</b>		
Cost of services	134,795	159,069
Cost of sales - equipment and other	70,790	81,586
Selling, general and administrative expenses	59,153	81,795
Depreciation and amortization	43,315	83,801
Impairments and other	—	—
Total costs and expenses	<u>308,053</u>	<u>406,251</u>
Operating income (loss)	<u>16,861</u>	<u>(40,187)</u>
<b>Other Income (Expense):</b>		
Interest income	1,689	2,500
Interest expense, net of amounts capitalized	(26,365)	(25,659)
Other, net (Note 4)	1,352	1,750
Total other income (expense)	<u>(23,324)</u>	<u>(21,409)</u>
Income (loss) before income taxes	(6,463)	(61,596)
Income tax (provision) benefit, net	(1,216)	12,556
Net income (loss)	(7,679)	(49,040)
Less: Net income (loss) attributable to noncontrolling interests	(370)	(645)
Net income (loss) attributable to HSSC	<u>\$ (7,309)</u>	<u>\$ (48,395)</u>
<b>Comprehensive Income (Loss):</b>		
Net income (loss)	\$ (7,679)	\$ (49,040)
<i>Other comprehensive income (loss):</i>		
Foreign currency translation adjustments	871	12,439
Unrealized holding gains (losses) on available-for-sale debt securities	—	(4)
Recognition of previously unrealized (gains) losses on available-for-sale debt securities included in net income (loss)	—	3
Total other comprehensive income (loss), net of tax	<u>871</u>	<u>12,438</u>
Comprehensive income (loss):	(6,808)	(36,602)
Less: Comprehensive income (loss) attributable to noncontrolling interests	(76)	1,156
Comprehensive income (loss) attributable to HSSC	<u>\$ (6,732)</u>	<u>\$ (37,758)</u>

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

**HUGHES SATELLITE SYSTEMS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY (DEFICIT)**  
(In thousands)  
(Unaudited)

	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Losses)	Noncontrolling Interests	Total
<b>Balance, December 31, 2024</b>	\$ 1,487,758	\$ (190,810)	\$ (958,518)	\$ 51,629	\$ 390,059
Non-cash, stock-based compensation	2,961	—	—	—	2,961
Other comprehensive income (loss)	—	10,637	—	1,801	12,438
Net income (loss)	—	—	(48,395)	(645)	(49,040)
<b>Balance, March 31, 2025</b>	<u>\$ 1,490,719</u>	<u>\$ (180,173)</u>	<u>\$ (1,006,913)</u>	<u>\$ 52,785</u>	<u>\$ 356,418</u>

	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Losses)	Noncontrolling Interests	Total
<b>Balance, December 31, 2025</b>	\$ 1,504,364	\$ (168,706)	\$ (2,232,193)	\$ 43,918	\$ (852,617)
Non-cash, stock-based compensation	2,914	—	—	—	2,914
Other comprehensive income (loss)	—	577	—	294	871
Net income (loss)	—	—	(7,309)	(370)	(7,679)
<b>Balance, March 31, 2026</b>	<u>\$ 1,507,278</u>	<u>\$ (168,129)</u>	<u>\$ (2,239,502)</u>	<u>\$ 43,842</u>	<u>\$ (856,511)</u>

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

**HUGHES SATELLITE SYSTEMS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)

	For the Three Months Ended March 31,	
	2026	2025
<b>Cash Flows From Operating Activities:</b>		
Net income (loss)	\$ (7,679)	\$ (49,040)
<i>Adjustments to reconcile net income (loss) to net cash flows from operating activities:</i>		
Depreciation and amortization	43,315	83,801
Realized and unrealized losses (gains) and impairments on investments and other	—	(3)
Non-cash, stock-based compensation	2,914	2,961
Deferred tax expense (benefit)	(1,561)	(25,251)
Equity in (earnings) losses of affiliates	(389)	403
Changes in allowance for credit losses	(2,716)	1,112
Foreign currency transaction losses (gains), net	(1,088)	(2,135)
Amortization of debt issuance costs	243	229
Noncurrent assets and noncurrent liabilities, net	(3,090)	(21,768)
Other, net	—	(195)
Changes in operating assets and operating liabilities, net:		
Trade accounts receivable and contract assets, net	27,833	(9,500)
Other current assets	(811)	(3,695)
Trade accounts payable	4,551	(715)
Contract liabilities	(10,725)	10,145
Accrued expenses and other liabilities	(51,796)	17,415
<b>Net cash flows from operating activities</b>	<b>(999)</b>	<b>3,764</b>
<b>Cash Flows From Investing Activities:</b>		
Purchases of marketable investment securities	—	(21,269)
Sales and maturities of marketable investment securities	—	2,000
Purchases of property and equipment (Note 6)	(11,610)	(31,648)
Expenditures for externally marketed software	(3,953)	(5,752)
Dividend received from unconsolidated affiliate	2,002	1,000
Other, net	17	(184)
<b>Net cash flows from investing activities</b>	<b>(13,544)</b>	<b>(55,853)</b>
<b>Cash Flows From Financing Activities:</b>		
Payment of in-orbit incentive obligations	(3,343)	(2,781)
Other, net	883	4,453
<b>Net cash flows from financing activities</b>	<b>(2,460)</b>	<b>1,672</b>
<b>Effect of exchange rates on cash and cash equivalents</b>	<b>(228)</b>	<b>1,701</b>
<b>Net increase (decrease) in cash, cash equivalents, restricted cash and cash equivalents</b>	<b>(17,231)</b>	<b>(48,716)</b>
Cash and cash equivalents, including restricted amounts, beginning of period (Note 4)	121,520	205,813
Cash and cash equivalents, including restricted amounts, end of period (Note 4)	<u>\$ 104,289</u>	<u>\$ 157,097</u>

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

**HUGHES SATELLITE SYSTEMS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

**1. Organization and Business Activities**

**Principal Business**

Hughes Satellite Systems Corporation (which, together with its subsidiaries, is referred to as “HSSC,” the “Company,” “we,” “us” and “our”) is a holding company and a subsidiary of EchoStar Corporation (“EchoStar” and “parent”). We were formed as a Colorado corporation in March 2011 to facilitate the acquisition by EchoStar (the “Hughes Acquisition”) of Hughes Communications, Inc. and its subsidiaries and related financing transactions. In connection with our formation, EchoStar contributed the assets and liabilities of its satellite services business to us, including the principal operating subsidiary of its satellite services business, EchoStar Satellite Services L.L.C. Substantially all of the voting power of the shares of EchoStar is owned beneficially by Charles W. Ergen, our Chairman, and by certain entities established for the benefit of his family.

We manage our business activities on a consolidated basis and operate as a single operating segment: Hughes. See Note 10 for information regarding our segment reporting.

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 have leveraged our satellite fleet to deliver satellite services to unserved and underserved consumer markets in the Americas as well as enterprise, aeronautical 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 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. Revenue in our 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. As of March 31, 2026, we had 681,000 Broadband subscribers.

**Recent Developments**

***SpaceX License Purchase Agreement***

On September 7, 2025, our parent, EchoStar, Space Exploration Technologies Corp., a Texas corporation (“SpaceX”), and Spectrum Business Trust 2025-1, a Nevada Business Trust (“Trust”), entered into a License Purchase Agreement (the “SpaceX License Purchase Agreement,” and the transactions contemplated thereby, the “Initial SpaceX Transactions”).

Pursuant to the terms and subject to the conditions set forth in the SpaceX License Purchase Agreement, EchoStar agreed to sell to SpaceX their rights and licenses related to an aggregate of 50 MHz of spectrum in frequency ranges 2000–2020, 2180–2200, 1915–1920 and 1995– 2000 (the “AWS-4 and H-Block Licenses” and such spectrum, “the Spectrum”) granted by the FCC, together with certain international authorizations which we own, filings, concessions, licenses, rights and priorities related to that spectrum and certain assets associated therewith (collectively, the “Foreign Assets”).

The transfer of the AWS-4 and H-Block Licenses will occur in two steps: first, the AWS-4 and H-Block Licenses will be transferred by EchoStar to the Trust (the “Spectrum Transfer Closing”), and second, the AWS-4 and H-Block Licenses will be transferred by the Trust to SpaceX (the “Spectrum Acquisition Closing”). The Foreign Assets, some of which we own, will be transferred by EchoStar directly to SpaceX at the Spectrum Acquisition

**HUGHES SATELLITE SYSTEMS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – Continued**  
(Unaudited)

Closing, to the extent the required regulatory approvals have been obtained by such date; provided, however, that the failure to obtain such approvals will not delay or prevent the Spectrum Acquisition Closing.

The consideration for the Initial SpaceX Transactions payable at the Spectrum Acquisition Closing is \$17 billion (the “Total Consideration Amount”). A portion of the Total Consideration Amount (such amount, the “Total Payoff Consideration Amount”) will be used to: (i) fully pay off all outstanding amounts owed on EchoStar’s 10 3/4% Senior Secured Notes due 2029 (the “10 3/4% Secured Notes”) and EchoStar’s 6 3/4% Senior Secured due 2030 (the “6 3/4% Secured Notes”) and (ii) settle the anticipated redemption and conversions of EchoStar’s 3 7/8% Convertible Secured Notes due 2030 (the “Convertible Notes due 2030”) and, together with the 10 3/4% Secured Notes and the 6 3/4% Secured Notes, the “Seller Notes”). The remaining amount after paying off the Seller Notes (the “Purchase Price”) will be paid by SpaceX to EchoStar as follows: (i) up to \$8.5 billion will be paid in SpaceX’s Class A Common Stock, valued at \$212 per share (the “Equity Amount”); and (ii) any amount of the Purchase Price exceeding \$8.5 billion will be paid in cash. If the Total Payoff Consideration Amount exceeds \$8.5 billion, EchoStar may elect to pay the excess in cash, EchoStar’s Class A Common Stock (with respect to the Convertible Notes due 2030), or both, to maintain EchoStar’s receipt of the full Equity Amount. However, if EchoStar elects not to pay such excess amount, the Equity Amount will be reduced dollar-for-dollar to ensure that the combined Equity Amount and Total Payoff Consideration Amount do not exceed the Total Consideration Amount. As of March 31, 2026, the aggregate principal amount outstanding of the Seller Notes was \$9.821 billion and is secured by the AWS-4 and AWS-3 Licenses.

The Spectrum Transfer Closing is expected to occur in the first half of 2026. The Spectrum Acquisition Closing is expected to occur on or about November 30, 2027, following the expiration of the make-whole period for the Seller Notes and the date on which the Convertible Notes due 2030 become eligible for redemption. If SpaceX elects to proceed with the Spectrum Acquisition Closing prior to November 30, 2027, SpaceX will be responsible for any additional amounts required to satisfy the Seller Notes, other than additional amounts payable as a result of a default under the Seller Notes.

Additionally, in connection with the SpaceX License Purchase Agreement and the Initial SpaceX Transactions, on September 7, 2025, SpaceX and the Trust entered into a Credit Agreement, pursuant to which SpaceX has agreed upon the Spectrum Transfer Closing to loan to the Trust (via automatically cancellable loans) amounts sufficient to make debt service payments on the Seller Notes through at least November 30, 2027 (the “Interim Debt Service”), which will be secured on a junior lien basis by the AWS-4 and H-Block Licenses. The aggregate amount of payments for the Interim Debt Service through November 30, 2027 will equal approximately \$2 billion and will be settled via a loan between EchoStar and SpaceX that automatically cancels upon the completion of the Spectrum Acquisition Closing. The Credit Agreement is generally on standard commercial terms and conditions and, as a beneficiary of the Credit Agreement, EchoStar has the ability to enforce the parties obligations under the Agreement. As of March 31, 2026, EchoStar has made approximately \$414 million in cash interest payments on the Seller Notes, which is subject to reimbursement from SpaceX upon the Spectrum Transfer Closing.

*Amended and Restated License Purchase Agreement*

On November 5, 2025, our parent, EchoStar, SpaceX and Trust, entered into an Amended and Restated License Purchase Agreement (the “Amended and Restated SpaceX License Purchase Agreement,” and the transactions contemplated thereby, the “Amended SpaceX Transactions”), and, together with the Initial SpaceX Transactions, (the “SpaceX Transactions”). The Amended and Restated SpaceX License Purchase Agreement amends and restates in its entirety the SpaceX License Purchase Agreement, dated as of September 7, 2025, by and among EchoStar, SpaceX and Trust.

Pursuant to the Amended and Restated SpaceX License Purchase Agreement, EchoStar and SpaceX have agreed to revise the terms of the previously announced transaction to include the transfer of up to an aggregate of 15 MHz of AWS spectrum in the frequency range of 1695–1710 MHz for each relevant license area (the “AWS-3 Licenses”) from EchoStar to SpaceX in exchange for additional consideration of \$2.6 billion, all of which will be paid in SpaceX’s Class A Common Stock, valued at \$212 per share. As a result of this change,

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the total consideration for the SpaceX Transactions has increased from \$17 billion to approximately \$20 billion, with up to \$11 billion to be paid in SpaceX's Class A Common Stock, valued at \$212 per share (the "Amended Equity Amount").

Except as set forth above, the material terms of the Amended and Restated SpaceX License Purchase Agreement are substantially the same as the terms of the SpaceX License Purchase Agreement.

The SpaceX Transactions are subject to a number of terms and conditions set forth in the SpaceX License Purchase Agreement. The completion of the SpaceX Transactions are subject to the satisfaction or waiver of customary closing conditions, including, among others, receipt of certain consents and approvals from the FCC and the United States Department of Justice (the "DOJ"). The SpaceX License Purchase Agreement also provides for specified termination rights.

The foregoing description of the Amended and Restated SpaceX License Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the Amended and Restated SpaceX License Purchase Agreement, filed as an exhibit to EchoStar's Annual Report on Form 10-K for the year ended December 31, 2025.

***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 \$102 million as of March 31, 2026 ("Cash on Hand"). As reflected in the condensed consolidated financial statements as of March 31, 2026, we have \$1.5 billion of debt maturing in August 2026.

Because we do not currently have the necessary Cash on Hand and/or projected future cash flows or committed financing to fund our obligations, including our debt maturities, 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. To address our capital needs, we are in active discussions with funding sources to raise additional capital and/or restructure our outstanding debt. We cannot provide assurances that we will be successful in obtaining such new financing and/or restructuring the existing debt obligations necessary for us to have sufficient liquidity. In addition, our parent, EchoStar, may or may not provide additional liquidity in the future necessary to meet our obligations as they come due. 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.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted 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, these statements do not include all of the information and notes required for complete financial statements prepared under GAAP. In our opinion, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Our results of operations for the interim periods presented are not necessarily indicative of the results that may be expected for the full year. 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

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December 31, 2025. Certain prior period amounts have been reclassified to conform to the current period presentation.

***Principles of Consolidation***

We consolidate all majority owned subsidiaries, investments in entities in which we have controlling influence and variable interest entities (“VIEs”) where we have been determined to be the primary beneficiary. The portion of equity in a subsidiary not attributable, directly or indirectly, to us is recorded as noncontrolling interests or redeemable noncontrolling interests.

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.

***Use of Estimates***

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 accounting for, among other things, allowances for credit losses, self-insurance obligations, deferred taxes and related valuation allowances, uncertain tax positions, loss contingencies, fair value of financial instruments, fair value of options granted under our parent, EchoStar’s stock-based compensation plans, fair value of assets and liabilities acquired in business combinations or as part of an asset acquisition, fair value of exit or disposal cost obligations, timing and amount of asset retirement obligations, inputs or outputs 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, useful lives of property, equipment and intangible assets, incremental borrowing rate (“IBR”) on lease right of use assets, estimates of the timing of future cash flows used to pay principal on certain debt obligations, estimated credit risk underlying installment receivables, nonrefundable upfront fees, independent third-party retailer incentives and subscriber lives and likelihood of certain contingent events. Economic conditions may increase the inherent uncertainty in the estimates and assumptions indicated above. Actual results may differ from previously estimated amounts, and such differences may be material to our condensed consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected prospectively in the period they occur.

***Concentration of Credit Risk***

Cash and cash equivalents are maintained with several financial institutions domestically and internationally. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions with investment-grade credit ratings. We routinely assess the financial strength of significant customers, and this assessment, combined with the large number and geographical diversity of its customers, limits our concentration of risk with respect to receivables from contracts with customers. As of March 31, 2026, our concentration of credit risk is approximately evenly spread across our portfolio of customers.

***Exit and Disposal Costs***

Our exit and disposal costs include, among other things, one-time employee termination benefits, costs to terminate contracts that are not a lease and other exit and disposal costs. The liability for exit and disposal

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costs is initially measured at fair value and we recognize the costs associated with an exit or disposal activity in the period in which the liability is incurred. The liability for our exit and disposal costs is included in “Accrued expenses” and “Other noncurrent liabilities” on our Condensed Consolidated Balance Sheets. Fair value is determined under the income approach primarily using the expected present value technique that utilizes the estimated future cash flows associated with the obligation, discounted at our credit-adjusted risk-free rate plus a risk premium. Any gains and losses resulting from the difference between the recorded liability and final settlement amounts will be recognized in “Impairments and other” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

The initial fair value of our exit and disposal obligations is categorized within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs. Subsequent to the initial measurement, our exit and disposal cost liability is periodically adjusted for revisions in the estimated timing and amount of future cash flows. As of March 31, 2026, the liability for our exit and disposal costs was \$2 million.

***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 the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. Market or observable inputs are the preferred source of values, followed by unobservable inputs or assumptions based on hypothetical transactions in the absence of market inputs. We apply the following hierarchy in 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, 2026 and December 31, 2025, the carrying amount for cash and cash equivalents, trade accounts receivable (net of allowance for credit losses) and current liabilities (excluding the “Current portion of debt and other notes payable”) was equal to or approximated fair value due to their short-term nature or proximity to current market rates.

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, exit or disposal cost obligations and the assignment of purchase consideration to assets in a non-cash exchange of assets and for 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. See Note 4 for the fair value of our marketable investment securities.

Fair values for our publicly traded debt securities are based on quoted market prices, when available. The fair values of non-publicly traded debt are based on, among other things, available trade information, valuations performed by a third party, and/or an analysis in which we evaluate market conditions, related securities, various

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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. The non-publicly traded debt is categorized within Level 3 of the fair value hierarchy. See Note 8 for the fair value of our 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, 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 “Prepays 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 less than \$1 million and \$10 million for the three months ended March 31, 2026 and 2025, 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).

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 included in “Cost of sales – equipment and other” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

Total research and development costs totaled \$10 million and \$11 million for the three months ended March 31, 2026 and 2025, respectively.

***New Accounting Pronouncements***

***Not Yet Adopted***

***Disaggregation of Income Statement Expenses.*** In November 2024, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40)* (“ASU 2024-03”), which will enhance financial statement reporting by providing additional information about specific expense categories, including purchases of inventory, employee compensation, depreciation, and amortization. This standard will be effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. We are evaluating the impact the adoption of ASU 2024-03 will have on our condensed consolidated financial statements, related disclosures and control environment.

***Intangibles – Goodwill and Other – Internal-Use Software.*** In September 2025, the FASB issued ASU 2025-06, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* (“ASU 2025-06”), which removes the references to the sequential software development stages from the guidance in Subtopic 350-40. Upon the adoption of ASU 2025-06, an entity is required to start capitalizing software costs when both of the following occur: (1) management has

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authorized and committed to funding the software project, and (2) it is probable that the project will be completed and the software will be used to perform the function intended. This standard is effective for fiscal years beginning after December 15, 2027. Early adoption is permitted. We are evaluating the impact the adoption of ASU 2025-06 will have on our condensed consolidated financial statements, related disclosures and control environment.

**3. Supplemental Data - Statements of Cash Flows**

The following table presents certain supplemental cash flow and other non-cash data. See Note 7 for supplemental cash flow and non-cash data related to leases.

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
Cash paid for interest (including capitalized interest)	\$ 49,711	\$ 51,691
Cash paid for income taxes, net of (refunds) (1)	2,220	921
Accrued capital expenditures	2,287	4,377

(1) Amount paid for income taxes are generally remitted to our parent, EchoStar. See Note 12 for additional details on this related party transaction.

**4. 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 following:

	<b>As of</b>	
	<b>March 31,</b>	<b>December 31,</b>
	<b>2026</b>	<b>2025</b>
	(In thousands)	
<b>Restricted cash and cash equivalents (1)</b>	2,661	2,755
<b>Other investments</b>		
Equity method investments	8,161	10,866
Other investments	11,278	11,278
<b>Total other investments</b>	19,439	22,144
<b>Total marketable investment securities, restricted cash and cash equivalents, and other investments</b>	<b>\$ 22,100</b>	<b>\$ 24,899</b>

(1) Restricted cash and cash equivalents are included in "Other noncurrent assets, net" on our Condensed Consolidated Balance Sheets.

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**Equity Method Investments**

*Deluxe/EchoStar 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 Al Yah 2 satellite.

**Fair Value Measurements**

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

	As of					
	March 31, 2026			December 31, 2025		
	Level 1	Level 2	Total	Level 1	Level 2	Total
	(In thousands)					
<b>Cash and cash equivalents (including restricted):</b>						
Cash	\$ 94,259	\$ —	\$ 94,259	\$ 105,037	\$ —	\$ 105,037
Cash equivalents	2,982	7,048	10,030	4,097	12,386	16,483
<b>Total</b>	<b>\$ 97,241</b>	<b>\$ 7,048</b>	<b>\$ 104,289</b>	<b>\$ 109,134</b>	<b>\$ 12,386</b>	<b>\$ 121,520</b>

As of March 31, 2026 and December 31, 2025, we did not have any investments that were categorized within, or transferred into or out of, Level 3 of 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:

Other, net:	For the Three Months Ended March 31,	
	2026	2025
	(In thousands)	
Marketable and non-marketable investment securities - realized and unrealized gains (losses)	\$ —	\$ 3
Equity in earnings (losses) of affiliates	389	(403)
Foreign currency transaction gains (losses)	1,088	2,135
Other	(125)	15
<b>Total</b>	<b>\$ 1,352</b>	<b>\$ 1,750</b>

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**5. Inventory**

Inventory consisted of the following:

	As of	
	March 31, 2026	December 31, 2025
	(In thousands)	
Raw materials	\$ 34,129	\$ 34,231
Work-in-process	41,063	37,938
Finished goods	110,988	110,232
<b>Total inventory</b>	<b>\$ 186,180</b>	<b>\$ 182,401</b>

**6. Property and Equipment and Intangible Assets**

***Property and Equipment***

Property and equipment consisted of the following:

	Depreciable Life (In Years)	As of	
		March 31, 2026	December 31, 2025
		(In thousands)	
Equipment leased to customers	2 - 4	\$ 89,695	\$ 84,497
Satellites	5 - 15	132,631	132,631
Satellites acquired under finance lease agreements	15	78,068	77,116
Furniture, fixtures, equipment and other	1 - 12	80,672	71,537
Software and computer equipment	2 - 5	29,429	34,556
Buildings and improvements	1 - 30	34,585	34,604
Land	-	13,554	13,598
Construction in progress	-	4,007	2,511
<b>Total property and equipment</b>		<b>462,641</b>	<b>451,050</b>
Accumulated depreciation		(41,981)	(8,847)
<b>Property and equipment, net</b>		<b>\$ 420,660</b>	<b>\$ 442,203</b>

Depreciation and amortization expense consisted of the following:

	For the Three Months Ended March 31,	
	2026	2025
	(In thousands)	
Equipment leased to customers (1)	\$ 12,460	\$ 27,148
Satellites (1)	11,046	23,322
Buildings, furniture, fixtures, equipment and other (1)	6,686	16,856
Software and computer equipment (1)	3,054	6,920
Intangible assets and other amortization expense	10,069	9,555
<b>Total depreciation and amortization</b>	<b>\$ 43,315</b>	<b>\$ 83,801</b>

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(1) This change primarily resulted from the non-cash impairment of long-lived assets during the third and fourth quarters of 2025. For further information on our impairments, refer to the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025.

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, and amortization of development costs of externally marketed software.

### **Satellites**

As of March 31, 2026, our satellite fleet consisted of six satellites in geosynchronous orbit approximately 22,300 miles above the equator, two of which we own and depreciate over their estimated useful life. We also lease four satellites, three of which are accounted for as finance leases and are depreciated over their economic life and one of which we lease from our parent, EchoStar which is accounted for as an operating lease.

As of March 31, 2026, our satellite fleet in service consisted of the following:

<b>Satellites</b>	<b>Launch Date</b>	<b>Degree Orbital Location</b>	<b>Lease Termination Date</b>
<b>Owned:</b>			
EchoStar XVII	July 2012	107	N/A
EchoStar XIX	December 2016	97.1	N/A
<b>Finance leases:</b>			
Eutelsat 65 West A	March 2016	65	July 2031
Telesat T19V	July 2018	63	August 2033
EchoStar 105/SES-11	October 2017	105	November 2031
<b>Operating leases:</b>			
EchoStar XXIV	July 2023	95.2	December 2030

### **Satellite-Related Commitments**

As of March 31, 2026 and December 31, 2025 our satellite-related commitments, excluding in-orbit incentives, were \$33 million and \$37 million, respectively. These include payments pursuant to regulatory authorizations, non-lease costs associated with our finance lease 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**

Our satellites may experience anomalies from time to time, some of which may have a significant adverse effect on their remaining useful lives, the commercial operation of the satellites or our operating results or financial position.

There can be no assurance that future anomalies will not impact the remaining useful life and/or commercial operation of any of the owned and leased satellites in our fleet. There can be no assurance that we can recover critical transmission capacity in the event one or more of our owned or leased in-orbit satellites were to fail. We are not aware of any anomalies with respect to our owned or leased satellites that have had any such significant adverse effect during the three months ended March 31, 2026.

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We generally do not carry commercial in-orbit insurance on any of the satellites that we own and therefore, we will bear the risk associated with any uninsured in-orbit satellite failures. We will continue to assess circumstances going forward and make insurance-related decisions on a case-by-case basis.

*Fair Value of In-Orbit Incentives*

As of March 31, 2026 and December 31, 2025, the fair values of our in-orbit incentive obligations approximated their carrying amounts of \$32 million and \$35 million, respectively.

**7. Leases**

***Lessee Accounting***

We enter into non-cancelable operating and finance leases for, among other things, satellites, satellite-related ground infrastructure, data centers, office space, warehouses and distribution centers. Substantially all of our leases have remaining lease terms from one to 12 years, with a weighted average remaining lease term of 5.4 years, some of which include renewal options, and some of which include options to terminate the leases within one year. For certain arrangements, 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. Substantially all of our remaining leases are accounted for as operating leases, including our EchoStar XXIV satellite lease. Refer to Note 12 for further details on the EchoStar XXIV operating lease.

The components of lease expense were as follows:

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
Operating lease cost:		
Operating lease cost	\$ 4,855	\$ 6,572
Operating lease cost - EchoStar XXIV	34,481	47,675
Total operating lease cost	39,336	54,247
Finance lease cost:		
Amortization of right-of-use assets	2,806	5,832
Interest on lease liabilities	—	—
Total finance lease cost	2,806	5,832
Total lease costs	\$ 42,142	\$ 60,079

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Supplemental cash flow information related to leases was as follows:

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows from operating leases	\$ 54,150	\$ 10,450
<b>Right-of-use assets obtained in exchange for lease obligations:</b>		
Operating leases	\$ —	\$ 464

Refer to Note 12 for further details on EchoStar XXIV operating lease.

The following table presents the amounts for ROU assets, lease liabilities, weighted-average lease terms and discount rates for operating and finance leases:

	<b>As of</b>	
	<b>March 31,</b>	<b>December 31,</b>
	<b>2026</b>	<b>2025</b>
	(In thousands)	
<b>Right-of-use assets:</b>		
Operating	\$ 298,062	\$ 313,066
Finance	75,251	77,116
Total right-of-use assets	<u>\$ 373,313</u>	<u>\$ 390,182</u>
<b>Lease liabilities:</b>		
<b>Current:</b>		
Operating	\$ 180,054	\$ 176,615
Finance	—	—
Total current	<u>180,054</u>	<u>176,615</u>
<b>Noncurrent:</b>		
Operating	675,763	708,958
Finance	—	—
Total noncurrent	<u>675,763</u>	<u>708,958</u>
Total lease liabilities	<u>\$ 855,817</u>	<u>\$ 885,573</u>
<b>Weighted Average Remaining Lease Term:</b>		
Finance leases	0.0 years	0.0 years
Operating leases	5.4 years	5.6 years
<b>Weighted Average Discount Rate:</b>		
Finance leases	0.0%	0.0%
Operating leases	11.9%	12.0%

As of March 31, 2026 and December 31, 2025, we have prepaid our obligations regarding all of our finance ROU assets. Finance lease assets are reported net of accumulated amortization of \$3 million and zero as of March 31, 2026 and December 31, 2025, respectively. Certain of our finance leases are subject to fluctuations in exchange rates.

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Maturities of lease liabilities as of March 31, 2026 were as follows:

<b>For the Years Ending December 31,</b>	<b>Total</b>
	(In thousands)
2026 (remaining nine months)	\$ 210,816
2027	215,695
2028	213,403
2029	212,242
2030	194,076
Thereafter	78,785
Total lease payments	1,125,017
Less: Imputed interest	(269,200)
Total	855,817
Less: Current portion	(180,054)
Long-term portion of lease obligations	<u>\$ 675,763</u>

**Lessor Accounting**

We lease satellite capacity and communications equipment to certain of our customers. The following table presents our lease revenue by type of lease:

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
<b>Sales-type lease revenue:</b>		
Revenue at lease commencement	\$ 457	\$ 1,783
Interest income	304	414
Total sales-type lease revenue	761	2,197
<b>Operating lease revenue</b>	<b>3,909</b>	<b>2,487</b>
Total lease revenue	<u>\$ 4,670</u>	<u>\$ 4,684</u>

Substantially all of our net investment in sales-type leases consisted of lease receivables totaling \$18 million and \$20 million as of March 31, 2026 and December 31, 2025, respectively.

The following table presents future operating lease payments to be received as of March 31, 2026:

<b>For the Years Ending December 31,</b>	<b>Total</b>
	(In thousands)
2026 (remaining nine months)	\$ 11,347
2027	7,456
2028	4,238
2029	3,262
2030	2,033
Thereafter	355
Total lease payments to be received	<u>\$ 28,691</u>

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**8. Long-Term Debt and Other Notes Payable**

***Fair Value of our Debt***

The following table summarizes the carrying amount and fair value of our debt facilities as of March 31, 2026 and December 31, 2025:

	As of			
	March 31, 2026		December 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In thousands)			
5 1/4% Senior Secured Notes due 2026	\$ 750,000	\$ 680,610	\$ 750,000	\$ 723,090
6 5/8% Senior Notes due 2026	750,000	555,000	750,000	691,313
Other notes payable	33,893	33,893	36,431	36,431
<b>Subtotal</b>	<b>1,533,893</b>	<b>\$ 1,269,503</b>	<b>1,536,431</b>	<b>\$ 1,450,834</b>
Unamortized deferred financing costs and other debt discounts, net	(329)		(572)	
<b>Total</b>	<b>1,533,564</b>		<b>1,535,859</b>	
Less: current portion	(1,510,174)		(1,508,730)	
Total debt and other notes payable, net of current portion	<b>\$ 23,390</b>		<b>\$ 27,129</b>	

We estimated the fair value of our publicly traded long-term debt using market prices in less active markets (Level 2).

**HUGHES SATELLITE SYSTEMS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – Continued**  
(Unaudited)

**9. Commitments and 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 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. 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.

For certain cases described below, management is unable to provide a meaningful estimate of the possible loss or range of possible loss because, among other reasons, (i) the proceedings are in various stages; (ii) damages have not been sought; (iii) damages are unsupported and/or exaggerated; (iv) there is uncertainty as to the outcome of pending appeals or 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. 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, though the outcomes could be material to our operating results for any particular period, depending, in part, upon the operating results for such period.

*Hughes Telecomunicações do Brasil v. State of São Paulo Treasury Department*

On December 12, 2019, Hughes Telecomunicações 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, but on February 25, 2025, the Court of Justice ruled against HTB. On March 14, 2025, HTB filed a motion seeking clarification, but that motion was denied on October 24, 2025. HTB has filed a new motion for clarification. HTB is finalizing an agreement with the Treasury under which it will have up to 48 months to pay approximately 44 million Brazilian Reals (USD \$8.2 million) to the State Treasury of São Paulo, of which 75% may be satisfied with “precatórios,” which are court ordered obligations issued by the Brazilian government (federal, state or municipal) that are officially recognized and tradeable instruments.

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

*NewSpace India Limited*

In October 2025, NewSpace India Limited (“NSIL”) sued our majority-owned subsidiary Hughes Communications India Private Limited (“HCIPL”), claiming that HCIPL unlawfully terminated the parties’ agreement for HCIPL to take capacity on the GSAT 20 satellite. HCIPL had terminated the parties’ agreement on December 6, 2024, citing, among other reasons, NSIL’s failure to meet the contractual provision for a timely launch. NSIL seeks a declaration that HCIPL’s termination was premature and void, a temporary and permanent injunction restraining HCIPL from terminating or breaching the agreement, and damages of approximately 10.6 billion Indian Rupees (USD \$117 million). The Court entered an ex parte interim injunction requiring HCIPL to maintain assets equal to the amount at issue.

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – Continued**  
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We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the suit.

*Other*

In addition to the above actions, we are subject to various other legal proceedings and claims that arise in the ordinary course of business. In our opinion, the amount of ultimate liability with respect to any of these actions is unlikely to materially affect our financial condition, results of operations or liquidity, though the outcomes could be material to our operating results for any particular period, depending, in part, upon the operating results for such period.

**10. Segment Reporting**

Our chief operating decision maker (“CODM”) is our President and Chief Executive Officer. “OIBDA,” defined as “Operating income (loss)” plus “Depreciation and amortization,” is the primary measure used by our CODM to evaluate segment operating performance.

The CODM regularly reviews budget-to-actual variances of OIBDA when evaluating segment performance and allocating resources to each segment. The CODM is not regularly provided assets in evaluating the results of our Hughes segment; therefore, such information is not presented.

We manage our business activities on a consolidated basis and operate as a single operating segment, Hughes.

**HUGHES SATELLITE SYSTEMS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – Continued**  
(Unaudited)

Hughes	For the Three Months Ended March 31,	
	2026	2025
	(In thousands)	
<b>Revenue</b>		
Service revenue	\$ 249,491	\$ 277,701
Equipment sales and other revenue	75,423	88,363
Total revenue	324,914	366,064
<b>Operating Expenses</b>		
<i>Cost of services:</i>		
Connectivity services (1)	78,114	96,752
Other (2)	56,681	62,317
Total cost of services	134,795	159,069
Cost of sales - equipment and other	70,790	81,586
<i>Selling, general and administrative expenses:</i>		
Subscriber acquisition costs	27,992	44,519
Selling, general and administrative expenses	31,161	37,276
Total selling, general and administrative expenses	59,153	81,795
<b>OIBDA (3)</b>	60,176	43,614
Depreciation and amortization	43,315	83,801
Total costs and expenses	308,053	406,251
Operating income (loss)	\$ 16,861	\$ (40,187)
Interest income	1,689	2,500
Interest expense, net of amounts capitalized	(26,365)	(25,659)
Other, net	1,352	1,750
Total other income (expense)	(23,324)	(21,409)
Income (loss) before income taxes	(6,463)	(61,596)
Income tax (provision) benefit, net	(1,216)	12,556
Net income (loss)	\$ (7,679)	\$ (49,040)
Purchases of property and equipment, net of refunds	\$ (11,610)	\$ (31,648)

- (1) "Connectivity services" is the cost to deliver our services and products to customers, which includes, among other things, satellite and transmission and other related costs.
- (2) "Other" primarily consists of variable costs including call center, manufacturing, dealer incentive, bad debt, billing and other variable costs, as well as costs to retain our subscribers.
- (3) OIBDA is a non-GAAP measure and does not purport to 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 on a more variable cost basis as it excludes depreciation and amortization expenses related primarily to capital expenditures and acquisitions, as well as in evaluating operating performance in relation to our competitors.

**HUGHES SATELLITE SYSTEMS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – Continued**  
(Unaudited)

**11. Revenue Recognition**

**Contract Balances**

The following table presents the activity in our allowance for credit losses:

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
<b>Balance, beginning of period</b>	\$ 17,559	\$ 11,314
Current period provision for expected credit losses	1,044	4,893
Write-offs charged against allowance	(3,914)	(3,897)
Foreign currency translation	154	116
<b>Balance, end of period</b>	<b>\$ 14,843</b>	<b>\$ 12,426</b>

As of March 31, 2026, accounts receivable balances for certain customers in Mexico and Brazil have been fully reserved in “Other noncurrent assets, net” on our Condensed Consolidated Balance Sheets in the amount of \$19 million.

Contract assets arise when we recognize revenue for providing service or equipment 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 and contract assets, net” on our Condensed Consolidated Balance Sheets.

Contract liabilities arise when we bill our customers and receive consideration in advance of providing the service or equipment. Contract liabilities are recognized as revenue when the service or equipment has been provided to the customer. Contract liabilities are recorded in “Contract liabilities” and “Other noncurrent liabilities” on our Condensed Consolidated Balance Sheets.

The following table summarizes our contract asset and liability balances:

	<b>As of</b>	
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
	(In thousands)	
<b>Contract assets</b>	<b>\$ 112,589</b>	<b>\$ 138,541</b>
<b>Contract liabilities</b>		
Current	\$ 65,855	\$ 76,580
Noncurrent	316	350
Total contract liabilities	<b>\$ 66,171</b>	<b>\$ 76,930</b>

Our beginning of period contract liability recorded as customer contract revenue during 2026 was \$43 million.

**HUGHES SATELLITE SYSTEMS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – Continued**  
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**Performance Obligations**

As of March 31, 2026, the remaining performance obligations for our customer contracts was approximately \$1.4 billion. 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 activity in our contract acquisition costs, net:

	<b>For the Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
<b>Balance, beginning of period</b>	\$ 49,811	\$ 57,337
Additions	2,880	9,185
Amortization expense	(9,752)	(9,833)
Foreign currency translation	248	406
<b>Balance, end of period</b>	<u>\$ 43,187</u>	<u>\$ 57,095</u>

**Disaggregation 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:

<b>Revenue:</b>	<b>For the Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
North America	\$ 257,149	\$ 298,054
South and Central America	30,161	31,577
Other	37,604	36,433
<b>Total revenue</b>	<u>\$ 324,914</u>	<u>\$ 366,064</u>

**HUGHES SATELLITE SYSTEMS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – Continued**  
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*Nature of Products and Services*

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

	<b>For the Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
<b>Service revenue:</b>		
Services	\$ 245,582	\$ 275,286
Lease revenue	3,909	2,415
Total service revenue	<u>249,491</u>	<u>277,701</u>
<b>Equipment sales and other revenue:</b>		
Equipment sales	41,909	33,409
Design, development and construction services	32,753	52,685
Lease revenue	761	2,269
Total equipment and other revenue	<u>75,423</u>	<u>88,363</u>
Total revenue	<u>\$ 324,914</u>	<u>\$ 366,064</u>

## 12. Related Party Transactions

### Related Party Transactions with EchoStar, our Parent, and its subsidiaries.

The following is a summary of the terms of our principal agreements with EchoStar, our parent, and its subsidiaries, that may have an impact on our financial condition and results of operations.

#### ***“Trade accounts receivable”***

As of March 31, 2026 and December 31, 2025, trade accounts receivable from EchoStar was \$49 million and \$57 million, respectively. These amounts are recorded in “Other current assets” on our Condensed Consolidated Balance Sheets.

#### ***“Noncurrent receivables”***

As of March 31, 2026 and December 31, 2025, noncurrent receivables from EchoStar was \$93 million and \$94 million, respectively. These amounts are recorded in “Other noncurrent assets, net” on our Condensed Consolidated Balance Sheets.

#### ***“Trade accounts payable”***

As of March 31, 2026 and December 31, 2025, trade accounts payable to EchoStar was \$34 million and \$36 million, respectively. These amounts are recorded in “Trade accounts payable” and “Other current liabilities” on our Condensed Consolidated Balance Sheets.

#### ***“Noncurrent payables”***

As of March 31, 2026 and December 31, 2025, noncurrent payables to EchoStar was \$28 million and \$28 million, respectively. These amounts are recorded in “Other noncurrent liabilities” on our Condensed Consolidated Balance Sheets.

**HUGHES SATELLITE SYSTEMS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – Continued**  
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**“Current operating lease liabilities”**

As of March 31, 2026 and December 31, 2025, current operating lease liabilities to EchoStar were \$163 million and \$159 million, respectively. These amounts are recorded in “Operating lease liabilities” on our Condensed Consolidated Balance Sheets and relate to the lease of the EchoStar XXIV satellite.

*HSSC 2026 Intercompany Loan*

In February 2026, we entered into a secured intercompany financing agreement with our parent, EchoStar (the “Secured Financing Agreement” for an initial principal amount of \$50 million, as well as an unsecured financing agreement (the “Unsecured Financing Agreement”) for an initial principal amount of \$1 million plus accrued and unpaid interest outstanding under the secured agreement, to finance certain historical amounts owed, including interest, in connection with our EchoStar XXIV lease payments. Both agreements mature on the earlier of the receipt of a demand letter requesting payment in full or on August 1, 2026. Interest accrues on the unpaid principal amounts at a rate of 13.75% per annum, which is payable in arrears on the maturity date or upon any voluntary prepayment.

**“Noncurrent operating lease liabilities”**

As of March 31, 2026 and December 31, 2025, noncurrent operating lease liabilities to EchoStar were \$557 million and \$587 million, respectively. These amounts are recorded in “Operating lease liabilities, noncurrent” on our Condensed Consolidated Balance Sheets.

**“Service revenue”**

During the three months ended March 31, 2026 and 2025, we received \$2 million and \$3 million for services provided to EchoStar. These amounts are recorded in “Service revenue” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The primary agreements pertaining to these revenues are discussed below.

*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 EchoStar’s completion of the Hughes Acquisition, TerreStar and Hughes Network Systems L.L.C. (“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 May 2022, we and EchoStar amended the agreement for the provision of hosting services to extend the term until May 2027. We and EchoStar amended the agreements for warranty, operations, and maintenance services for TerreStar ground-based communications equipment, effective as of January 1, 2025, to extend the existing pricing and other terms through December 31, 2025. EchoStar generally has the right to continue to receive warranty services from us for our products on a month-to-month basis unless terminated by EchoStar upon at least 21 days’ written notice to us.

EchoStar 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 EchoStar upon at least 90 days’ written notice to us. In addition, EchoStar generally may terminate any and all services for convenience subject to providing us with prior notice and/or payment of termination charges.

*TerreStar Solutions.* EchoStar has an investment in TerreStar Solutions, Inc. (“TSI”), an entity that provides wireless mobile communication coverage in Canada using a satellite user terminal, that results in EchoStar having significant influence in the entity. 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.

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*DBSD North America Agreement.* In March 2012, DISH Network completed its acquisition of all of the equity of DBSD North America, Inc. (“DBSD North America”). Following the Merger, DISH Network’s ownership of DBSD North America was sold to our parent company, EchoStar, such that EchoStar now owns all of the equity of DBSD North America. Prior to DISH Network’s acquisition of DBSD North America and EchoStar’s 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. 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. 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. We and DBSD North America amended the agreements for warranty, operations, and maintenance services for DBSD’s gateway and ground-based communications equipment, effective as of December 17, 2025, to extend the existing pricing and other terms through December 31, 2026.

*EchoStar Mobile Limited Service Agreements.* We provide services and lease equipment to support the business of EchoStar Mobile Limited, a subsidiary of EchoStar that is licensed by the EU to provide mobile satellite services and complementary ground component services covering the entire EU using S-Band spectrum. Additionally, we have converted the receivables for certain of these services into loans, bearing an annual interest rate of 5%. These loans are included within “Other noncurrent assets, net” on our Condensed Consolidated Balance Sheets.

*Hughes Broadband Distribution Agreement.* Effective October 2012, we and EchoStar entered into a Distribution Agreement (the “Distribution Agreement”) pursuant to which EchoStar has the right, but not the obligation, to market, sell and distribute our satellite Internet service (the “Service”) and to purchase certain broadband equipment from us to support the sale of the Service for an extended initial term that ended March 1, 2024. Thereafter, the Distribution Agreement automatically renews for successive one-year terms unless either party gives written notice of its intent not to renew to the other party at least 180 days before the expiration of the then-current term. Upon expiration or termination of the Distribution Agreement, the parties will continue to provide the Service pursuant to the terms and conditions of the Distribution Agreement.

*Hughes Equipment and Services Agreement.* In February 2019, we and EchoStar entered into an agreement pursuant to which we will provide EchoStar with satellite Internet service and equipment for the transmission of certain data related to EchoStar’s 5G Network Deployment. This agreement had an initial term that ended February 2024 with automatic renewal for successive one-year terms unless terminated by EchoStar with at least 180 days’ written notice to us or by us with at least 365 days’ written notice to EchoStar.

**“Equipment sales and other revenue”**

During the three months ended March 31, 2026 and 2025, we received \$1 million and \$4 million, respectively, for services provided to EchoStar. These amounts are recorded in “Equipment sales and other revenue” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

**“Cost of services”**

During the three months ended March 31, 2026 and 2025, we incurred \$35 million and \$49 million, respectively, of costs for services provided to us by EchoStar. These amounts are recorded in “Cost of services” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The primary agreements pertaining to these expenses are discussed below.

*EchoStar XXIV Satellite Lease.* Effective December 2023, we lease all of the capacity of the EchoStar XXIV satellite under an operating lease from EchoStar for a term of seven years for a monthly lease charge of approximately \$16 million. We prepaid \$185 million in lease obligations under the agreement during the year

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ended December 31, 2024. The prepayments resulted in the lease liability and associated asset being remeasured. The prepayment ended in March 2025 with regular payments continuing in April 2025. During the first quarter of 2026, we entered into secured and unsecured loan agreements for approximately \$51 million with EchoStar to finance certain historical amounts owed, including related interest, which are included in “Operating lease liabilities” and “Accrued interest” on our Condensed Consolidated Balance Sheets, in connection with our EchoStar XXIV lease payments. See Note 12 “HSSC 2026 Intercompany Loan” for further information.

*TT&C Agreement – Master Transaction Agreement.* In September 2019, we entered into an agreement pursuant to which EchoStar provides TT&C services to us for an initial term that ended in September 2021, (the “MTA TT&C Agreement”). In September 2021, we amended the MTA TT&C Agreement to extend the term until September 2022 and added the option for us to renew for three one-year renewal terms ending in September 2025. Effective September 2025, the MTA TT&C Agreement was extended on a month-to-month basis. In December 2025, the MTA TT&C Agreement was amended and automatically renews for successive one year terms unless either party gives written notice of its intent not to renew to the other party at least 90 days before the expiration of the then current term.

**“Cost of sales – equipment and other”**

During the three months ended March 31, 2026 and 2025, we incurred less than \$1 million and \$1 million, respectively, for satellite hosting, operations and maintenance services as well as transmission of certain data to EchoStar. These amounts are recorded in “Cost of sales – equipment and other” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The primary agreements pertaining to these expenses are discussed below.

*Professional Services Agreement.* Effective January 2010, we and EchoStar entered into the Professional Services Agreement, pursuant to which we have the right, but not the obligation, to receive the following services from EchoStar, among others: information technology, travel and event coordination, internal audit, legal, accounting and tax, benefits administration, program acquisition services and other support services, including uplink services. Additionally, we and EchoStar agreed that EchoStar shall continue to have the right, but not the obligation, to engage us to manage the process of procuring new satellite capacity for EchoStar and receive logistics, procurement and quality assurance services from us and other support services. In February 2017 and in September 2019, we and EchoStar amended the Professional Services Agreement to, among other things, provide certain transition services to each other. The Professional Services Agreement renews automatically for successive one-year periods, unless terminated earlier by either party upon at least 60 days’ notice. However, either party may terminate the Professional Services Agreement in part with respect to any particular service it receives for any reason upon at least 30 days’ notice.

*Whidbey Island 5G Network Test Bed Subcontract.* Effective June 2022, we entered into certain agreements pursuant to which EchoStar provides us access and use of a lab, technical support and integration, and testing support for the 5G network test bed. In addition, we lease certain wireless spectrum, and receive construction and related services. We may terminate this agreement at any time by providing written notice to EchoStar.

**“Selling, general and administrative expenses”**

During each of the three months ended March 31, 2026 and 2025, we incurred less than \$1 million for selling, general and administrative expenses for services provided to us by EchoStar. These amounts are recorded in “Selling, general and administrative expenses” on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The primary agreements pertaining to these expenses are discussed below.

*Shared Corporate Services.* We and EchoStar, including EchoStar’s other subsidiaries, have agreed that we shall each have the right, but not the obligation, to receive from the other certain shared corporate services, including among other things: treasury, tax, accounting and reporting, risk management, cybersecurity, legal,

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internal audit, human resources, and information technology. We and EchoStar may each terminate a particular shared corporate service for any reason upon at least 30 days' notice.

*Collocation and Antenna Space Agreements.* We entered into certain agreements pursuant to which EchoStar provides certain collocation and antenna space to us. We may terminate certain of these agreements with 180 days' prior written notice to EchoStar and for certain other agreements with prior written notice no more than 120 days but no less than 90 days prior to the end of the then-current term. The term of each agreement is set forth below:

- Effective March 2017 for an initial term that ended in February 2022 and renewal options ending in February 2034 at the following locations: Cheyenne, Wyoming; Gilbert, Arizona; Monee, Illinois; Englewood, Colorado; and Spokane, Washington.
- Effective August 2017 for an initial term that ended in August 2022 and renewal options ending in August 2034 at the following locations: Monee, Illinois and Spokane, Washington. In March 2024, we provided a termination notice for one of the Spokane, Washington agreements, effective April 2024.
- Effective January 2022 for an initial term ending December 2026 and renewal options ending in December 2038 at the following location: Englewood, Colorado.
- Effective October 2020 with renewal options ending in October 2037 at the following location: Cheyenne, Wyoming.

*Real Estate.* We occupy certain office space in buildings owned or leased by EchoStar and its other subsidiaries and pay a portion of the taxes, insurance, utilities and maintenance of the premises in accordance with the percentage of the space we occupy.

***Other Agreements – EchoStar***

*Hughes Broadband Master Services Agreement.* In March 2017, we and EchoStar entered into the Master Services Agreement ("MSA") pursuant to which EchoStar, among other things: (i) have the right, but not the obligation, to market, promote and solicit orders for our satellite Internet service and related equipment; and (ii) install service equipment with respect to activations EchoStar generates. The MSA had an initial term that ended March 2022 with automatic renewal for successive one-year terms. Either party has the ability to terminate the MSA, in whole or in part, for any reason upon at least 90 days' notice to the other party. Upon expiration or termination of the MSA, we will continue to provide the satellite Internet service to subscribers and make certain payments to EchoStar pursuant to the terms and conditions of the MSA.

For the three months ended March 31, 2026 and 2025, we incurred sales incentives and other costs under the MSA totaling less than \$1 million and \$1 million respectively. These costs are capitalized and amortized to expense over the estimated customer life or the contract term. See Note 2 "Assets Recognized Related to the Costs to Obtain a Contract with a Customer" for further information. During the three months ended March 31, 2026 and 2025 the amounts amortized to expense were \$1 million and less than \$1 million, respectively. These costs are expensed in "Selling, general and administrative expenses" on our Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

*Cash Advances.* EchoStar and certain of its other subsidiaries have also provided cash advances to certain of our foreign subsidiaries to fund certain expenditures pursuant to loan agreements. Advances under these agreements bear interest at annual rates of three percent.

*Dividends.* On February 15, 2024, our Board of Directors declared and approved payment of a cash dividend on our outstanding common stock to EchoStar in the amount of \$529 million. Payment of this dividend was made in the first quarter of 2024.

On March 12, 2024, our Board of Directors declared and approved payment of a cash dividend on the Company's outstanding common stock to EchoStar in the amount of \$500 million. Payment of the dividend was made in the first quarter of 2024.

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**Joint Ventures and Cost Investments*****Deluxe/EchoStar LLC***

We own 50% of 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. Refer to Note 4 for more information.

The table below summarizes our transactions with Deluxe:

	<b>For the Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
Revenue from Deluxe	\$ 1,092	\$ 1,347

  

	<b>As of</b>	
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
	(In thousands)	
Trade accounts receivable from Deluxe	\$ 3,298	\$ 2,504

***Broadband Connectivity Solutions (Restricted) Limited***

We own 20% of 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 Al Yah 2 satellite.

The table below summarizes our transactions with BCS:

	<b>For the Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
Revenue from BCS	\$ 605	\$ 789

  

	<b>As of</b>	
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
	(In thousands)	
Trade accounts receivable from BCS	\$ 711	\$ 942

**HUGHES SATELLITE SYSTEMS CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – Continued**  
(Unaudited)

***Hughes Systique Corporation (“Hughes Systique”)***

We hold certain equity in Hughes Systique and contract with Hughes Systique for software development services.

The table below summarizes our transactions with Hughes Systique:

	<b>For the Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
Purchases from Hughes Systique	\$ 3,092	\$ 4,055

  

	<b>As of</b>	
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
	(In thousands)	
Amounts payable to Hughes Systique	\$ 1,104	\$ 1,497

**13. Subsequent Event**

On May 12, 2026, the FCC released its Memorandum Opinion and Order regarding the SpaceX Transactions which approved the transactions subject to certain conditions. For additional detail, please see the full orders available on the FCC's website. Our parent, EchoStar is currently evaluating these conditions and considering next steps.

## **Item 2. MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS**

You should read the following Management's Narrative Analysis of Results of Operations together with the condensed consolidated financial statements and notes to our financial statements included elsewhere in this Quarterly Report on Form 10-Q. This management's narrative analysis is intended to help provide an understanding of our financial condition, changes in financial condition and results of our operations and 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 projections about our industry, business and 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 discussed in our Annual Report on Form 10-K for the year ended December 31, 2025 and this Quarterly Report on Form 10-Q 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 expressly disclaim any obligation to update any forward-looking statements.

### **EXECUTIVE SUMMARY**

#### **Recent Developments**

##### ***SpaceX License Purchase Agreement***

On September 7, 2025, our parent, EchoStar, Space Exploration Technologies Corp., a Texas corporation ("SpaceX"), and Spectrum Business Trust 2025-1, a Nevada Business Trust ("Trust"), entered into a License Purchase Agreement (the "SpaceX License Purchase Agreement," and the transactions contemplated thereby, the "Initial SpaceX Transactions").

Pursuant to the terms and subject to the conditions set forth in the SpaceX License Purchase Agreement, EchoStar agreed to sell to SpaceX their rights and licenses related to an aggregate of 50 MHz of spectrum in frequency ranges 2000–2020, 2180–2200, 1915–1920 and 1995–2000 (the "AWS-4 and H-Block Licenses" and such spectrum, "the Spectrum") granted by the FCC, together with certain international authorizations which we own, filings, concessions, licenses, rights and priorities related to that spectrum and certain assets associated therewith (collectively, the "Foreign Assets").

The transfer of the AWS-4 and H-Block Licenses will occur in two steps: first, the AWS-4 and H-Block Licenses will be transferred by EchoStar to the Trust (the "Spectrum Transfer Closing"), and second, the AWS-4 and H-Block Licenses will be transferred by the Trust to SpaceX (the "Spectrum Acquisition Closing"). The Foreign Assets, some of which we own, will be transferred by EchoStar directly to SpaceX at the Spectrum Acquisition Closing, to the extent the required regulatory approvals have been obtained by such date; provided, however, that the failure to obtain such approvals will not delay or prevent the Spectrum Acquisition Closing.

The consideration for the Initial SpaceX Transactions payable at the Spectrum Acquisition Closing is \$17 billion (the "Total Consideration Amount"). A portion of the Total Consideration Amount (such amount, the "Total Payoff Consideration Amount") will be used to: (i) fully pay off all outstanding amounts owed on EchoStar's 10 3/4% Senior Secured Notes due 2029 (the "10 3/4% Secured Notes") and EchoStar's 6 3/4% Senior Secured due 2030 (the "6 3/4% Secured Notes") and (ii) settle the anticipated redemption and conversions of EchoStar's 3 7/8% Convertible Secured Notes due 2030 (the "Convertible Notes due 2030" and, together with the 10 3/4% Secured Notes and the 6 3/4% Secured Notes, the "Seller Notes"). The remaining amount after paying off the Seller Notes (the "Purchase Price") will be paid by SpaceX to EchoStar as follows: (i) up to \$8.5 billion will be paid in SpaceX's Class A Common Stock, valued at \$212 per share (the "Equity Amount"); and (ii) any amount of the Purchase Price exceeding \$8.5 billion will be paid in cash. If the Total Payoff Consideration Amount exceeds \$8.5 billion, EchoStar may elect to pay the excess in cash, EchoStar's Class A Common Stock (with respect to the Convertible Notes due 2030), or both, to maintain EchoStar's receipt of the full Equity Amount. However, if EchoStar elects not to pay such excess amount, the Equity Amount will be reduced dollar-for-dollar to ensure that the combined Equity Amount and Total Payoff Consideration Amount do not exceed the Total

## Item 2. MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS – Continued

Consideration Amount. As of March 31, 2026, the aggregate principal amount outstanding of the Seller Notes was \$9.821 billion and is secured by the AWS-4 and AWS-3 Licenses.

The Spectrum Transfer Closing is expected to occur in the first half of 2026. The Spectrum Acquisition Closing is expected to occur on or about November 30, 2027, following the expiration of the make-whole period for the Seller Notes and the date on which the Convertible Notes due 2030 become eligible for redemption. If SpaceX elects to proceed with the Spectrum Acquisition Closing prior to November 30, 2027, SpaceX will be responsible for any additional amounts required to satisfy the Seller Notes, other than additional amounts payable as a result of a default under the Seller Notes.

Additionally, in connection with the SpaceX License Purchase Agreement and the Initial SpaceX Transactions, on September 7, 2025, SpaceX and the Trust entered into a Credit Agreement, pursuant to which SpaceX has agreed upon the Spectrum Transfer Closing to loan to the Trust (via automatically cancellable loans) amounts sufficient to make debt service payments on the Seller Notes through at least November 30, 2027 (the "Interim Debt Service"), which will be secured on a junior lien basis by the AWS-4 and H-Block Licenses. The aggregate amount of payments for the Interim Debt Service through November 30, 2027 will equal approximately \$2 billion and will be settled via a loan between EchoStar and SpaceX that automatically cancels upon the completion of the Spectrum Acquisition Closing. The Credit Agreement is generally on standard commercial terms and conditions and, as a beneficiary of the Credit Agreement, EchoStar has the ability to enforce the parties obligations under the Agreement. As of March 31, 2026, EchoStar has made approximately \$414 million in cash interest payments on the Seller Notes, which is subject to reimbursement from SpaceX upon the Spectrum Transfer Closing.

### *Amended and Restated License Purchase Agreement*

On November 5, 2025, our parent, EchoStar, SpaceX and Trust, entered into an Amended and Restated License Purchase Agreement (the "Amended and Restated SpaceX License Purchase Agreement," and the transactions contemplated thereby, the "Amended SpaceX Transactions"), and, together with the Initial SpaceX Transactions, (the "SpaceX Transactions"). The Amended and Restated SpaceX License Purchase Agreement amends and restates in its entirety the SpaceX License Purchase Agreement, dated as of September 7, 2025, by and among EchoStar, SpaceX and Trust.

Pursuant to the Amended and Restated SpaceX License Purchase Agreement, EchoStar and SpaceX have agreed to revise the terms of the previously announced transaction to include the transfer of up to an aggregate of 15 MHz of AWS spectrum in the frequency range of 1695–1710 MHz for each relevant license area (the "AWS-3 Licenses") from EchoStar to SpaceX in exchange for additional consideration of \$2.6 billion, all of which will be paid in SpaceX's Class A Common Stock, valued at \$212 per share. As a result of this change, the total consideration for the SpaceX Transactions has increased from \$17 billion to approximately \$20 billion, with up to \$11 billion to be paid in SpaceX's Class A Common Stock, valued at \$212 per share (the "Amended Equity Amount").

Except as set forth above, the material terms of the Amended and Restated SpaceX License Purchase Agreement are substantially the same as the terms of the SpaceX License Purchase Agreement.

The SpaceX Transactions are subject to a number of terms and conditions set forth in the SpaceX License Purchase Agreement. The completion of the SpaceX Transactions are subject to the satisfaction or waiver of customary closing conditions, including, among others, receipt of certain consents and approvals from the FCC and the United States Department of Justice (the "DOJ.") The SpaceX License Purchase Agreement also provides for specified termination rights.

The foregoing description of the Amended and Restated SpaceX License Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the Amended and Restated SpaceX License Purchase Agreement, filed as an exhibit to EchoStar's Annual Report on Form 10-K for the year ended December 31, 2025.

### **Overview**

## Item 2. MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS – Continued

Our industry continues to evolve with the increasing worldwide demand for broadband internet access for information, entertainment and commerce. In addition to fiber and wireless systems, technologies such as geostationary high throughput satellites, low-earth orbit (“LEO”) networks, medium-earth orbit (“MEO”) systems and multi-transport networks using combinations of technologies are expected to continue to play significant roles in enabling global connectivity, networks and services. We expect demand for broadband internet access, connectivity, networking and related value-added services will continue to grow and hope to capture business opportunities across certain major end-user sectors – consumer, businesses, enterprises and government. We intend to use our expertise, technologies, capital, investments, global presence, relationships and other capabilities to continue to provide broadband internet systems, equipment, networks and managed services for information, the internet-of-things, entertainment, education, remote-connectivity and commerce across industries and communities globally for consumer and enterprise customers. We are closely tracking the developments in next-generation satellite businesses, and we are seeking to utilize our services, technologies, licenses and expertise to find new commercial opportunities for our business.

We manage our business activities on a consolidated basis and operate as a single operating segment: Hughes. See Note 10 in the Notes to our Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for information regarding our segment reporting.

Our 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 consumer, enterprise and government markets globally. 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.

### Liquidity and Capital Resources

#### *Operational Liquidity*

We primarily rely on our existing cash, cash equivalents and marketable investment securities balances, as well as cash generated from operations, to fund our business operations. Consumer revenue depends on our success in adding new and retaining existing subscribers. 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 can be no assurance that we will have positive cash flows from operations. If we experience negative cash flows, our existing cash, cash equivalents and marketable investment securities balances may be further reduced.

#### *Debt Issuances and Maturities*

*5 1/4% Senior Secured Notes due 2026.* Our 5 1/4% Senior Secured Notes due 2026 with a principal balance of approximately \$750 million mature on August 1, 2026. We do not currently have the necessary cash and cash equivalents and marketable investment securities and/or projected future cash flows or committed financing to fund this obligation. We will need to raise additional capital, refinance and/or restructure all or a portion of such obligation prior to maturity, which may not be available on favorable terms or at all. In addition, our parent, EchoStar may or may not provide additional liquidity in the future necessary to meet this obligation.

*6 5/8% Unsecured Senior Notes due 2026.* Our 6 5/8% Unsecured Senior Notes due 2026 with a principal balance of approximately \$750 million mature on August 1, 2026. We do not currently have the necessary cash and cash equivalents and marketable investment securities and/or projected future cash flows or committed financing to fund this obligation. We will need to raise additional capital, refinance and/or restructure all or a portion of such obligation prior to maturity, which may not be available on favorable terms or at all. In addition, our parent, EchoStar may or may not provide additional liquidity in the future necessary to meet this obligation.

The 2026 Senior Secured Notes and the 2026 Senior Unsecured Notes are referred to collectively as the “Senior Notes.”

## Item 2. MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS – Continued

### *Future Liquidity*

We have made cash distributions to among other things, partially finance the consolidated operations and debt service payment obligations of our parent company, EchoStar, and its subsidiaries. On February 15, 2024, the Company's Board of Directors declared and approved payment of a cash dividend on the Company's outstanding stock to our shareholder and parent, EchoStar, in the amount of \$529 million. On March 12, 2024, the Company's Board of Directors declared and approved payment of a cash dividend on the Company's outstanding common stock to EchoStar in the amount of \$500 million. Payment of both dividends was made in the first quarter of 2024.

While we currently do not intend to declare additional dividends on our common stock, we may elect to do so from time to time. Payment of any future dividends will depend upon our earnings, capital requirements, contractual restrictions and other factors the Board of Directors considers appropriate. We currently intend to retain our earnings, if any, to support operations, debt services, future growth and expansion. Our ability to declare dividends is affected by the covenants in our indentures.

Due to our liquidity concerns, we are no longer able to make additional funds available to EchoStar in the form of prepayments for services rendered or loans to finance, in whole or in part, EchoStar's future operations, debt service obligations and other cash needs.

We do not currently have cash, cash equivalents, marketable investment securities balances and/or projected future cash flows to fund our Senior Notes. We will need to refinance or restructure all or a portion of such obligations prior to maturity.

### *Covenants and Restrictions Related to our Senior Notes*

The indentures related to our outstanding senior notes contain restrictive covenants that impose limitations on our ability to, among other things: (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) restrict our subsidiaries' ability to pay dividends, make distributions, make other payments, or transfer assets; (v) make certain investments; (vi) create liens; (vii) enter into certain transactions with affiliates; (viii) merge or consolidate with another company; and (ix) 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. As of the date of filing of this Quarterly Report on Form 10-Q, we were in compliance with the covenants and restrictions related to our long-term debt.

## EXPLANATION OF KEY METRICS AND OTHER ITEMS

**Service revenue.** "Service revenue" consists principally includes the sales of consumer and enterprise broadband services, maintenance and other contracted services, revenue associated with satellite and transponder leases and services, satellite uplinking/downlinking, and subscriber wholesale service fees for the HughesNet service. Certain of the amounts included in "Service revenue" are not recurring on a monthly basis.

**Equipment sales and other revenue.** "Equipment sales and other revenue" principally includes broadband equipment and networks sold both to customers in our consumer and enterprise markets.

**Cost of services.** "Cost of services" primarily includes the cost of broadband services provided to our consumer and enterprise customers, maintenance and other contracted services, and costs associated with satellite and transponder leases and services.

**Cost of sales - equipment and other.** "Cost of sales - equipment and other" principally consists of the cost of broadband equipment and networks provided to customers in our consumer and enterprise markets. It also includes certain other costs associated with the deployment of equipment to our customers.

## Item 2. MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS – Continued

**Selling, general and administrative expenses.** “Selling, general and administrative expenses” primarily include selling costs, and employee-related costs associated with administrative services such as legal, information systems, accounting and finance, and including bad debt expense. It also includes research and development expenses associated with the design and development of products to support future growth and provide new technology and innovation to our customers, professional fees, and other expenses associated with facilities and administrative services.

**Impairments and other.** “Impairments and other” may include, among other things, non-cash impairment and other losses related to our prepaids, inventory, property and equipment, regulatory authorizations, operating lease assets, goodwill and other intangible assets, as well as estimated exit and disposal costs.

**Interest income.** “Interest income” 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.** “Interest expense, net of amounts capitalized” primarily includes interest expense associated with our long-term debt (net of capitalized interest), prepayment premiums, amortization of debt discounts and debt issuance costs associated with our long-term debt, and interest expense associated with our finance lease obligations.

**Other, net.** “Other, net” primarily includes gains and losses realized on the sale of marketable and non-marketable investment securities, impairment of marketable and non-marketable investment securities, impairment of our equity method investments, unrealized gains and losses from changes in fair value of certain marketable and non-marketable investment securities, foreign currency transaction gains and losses, equity in earnings and losses of our affiliates, dividends received from our marketable investment securities, and other non-operating income and expense items that are not appropriately classified elsewhere in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) in our Condensed Consolidated Financial Statements.

**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.

**Operating income before depreciation and amortization, and impairments and other (“Adjusted OIBDA”).** Adjusted OIBDA is defined as “Operating income (loss)” plus “Depreciation and amortization” and “Impairments and other.” This non-GAAP measure is reconciled to “Operating income (loss)” in our discussion of “Results of Operations” below.

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

### Hughes Segment

Our 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 consumer, enterprise and government markets globally. 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 offer broadband satellite technologies and broadband internet products and services to consumer customers, which include home and small to medium-sized businesses. We provide broadband network technologies, managed services, equipment, hardware, satellite services and communications solutions to government and enterprise customers. We have leveraged our satellite fleet to deliver satellite services to unserved and underserved consumer markets in the Americas as well as enterprise, aeronautical 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

## Item 2. MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS – Continued

comprising satellite ground segment systems and terminals to mobile system operators and our enterprise customers.

We 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.

Our Hughes segment continues to focus its efforts on optimizing financial returns on our satellite portfolio. Our consumer revenue business depends on our success in adding new and retaining existing subscribers, as well as maintaining or growing 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. 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 have been addressed by the EchoStar XXIV satellite.

### *Backlog*

As of March 31, 2026, our Hughes segment had approximately \$1.4 billion of contracted revenue backlog. We define the Hughes 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, we compete with a large number of telecommunications and satellite internet service providers.

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 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 in-flight WiFi services, such as, among others, ViaSat Communications, Inc., which is owned by ViaSat, Inc. ("ViaSat") and Starlink Services LLC, which is owned by Space Exploration Technologies Corp ("SpaceX").

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. Our primary satellite competitors in the North American consumer market are ViaSat and SpaceX as well as Amazon Leo when launched. Both ViaSat and SpaceX have also entered the South American consumer market and additionally SpaceX has entered the Central American consumer market. Our principal competitors for the supply of satellite technology platforms are Gilat Satellite Networks Ltd, ViaSat and ST Engineering iDirect, Inc.

**Item 2. MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS – Continued**
**RESULTS OF OPERATIONS**
**Three Months Ended March 31, 2026 Compared to the Three Months Ended March 31, 2025**

The following table presents our condensed consolidated results of operations for the three months ended March 31, 2026 compared to the three months ended March 31, 2025:

Statements of Operations Data	For the Three Months Ended March 31,		Variance	
	2026	2025	Amount	%
	(In thousands)			
<b>Revenue:</b>				
Service revenue	\$ 249,491	\$ 277,701	\$ (28,210)	(10.2)
Equipment sales and other revenue	75,423	88,363	(12,940)	(14.6)
Total revenue	324,914	366,064	(41,150)	(11.2)
<b>Costs and Expenses:</b>				
Cost of services	134,795	159,069	(24,274)	(15.3)
<b>% of Service revenue</b>	<b>54.0%</b>	<b>57.3%</b>		
Cost of sales - equipment and other	70,790	81,586	(10,796)	(13.2)
<b>% of Equipment sales and other revenue</b>	<b>93.9%</b>	<b>92.3%</b>		
Selling, general and administrative expenses	59,153	81,795	(22,642)	(27.7)
<b>% of Total revenue</b>	<b>18.2%</b>	<b>22.3%</b>		
Depreciation and amortization	43,315	83,801	(40,486)	(48.3)
Impairments and other	—	—	—	*
Total costs and expenses	308,053	406,251	(98,198)	(24.2)
Operating income (loss)	16,861	(40,187)	57,048	*
<b>Other Income (Expense):</b>				
Interest income	1,689	2,500	(811)	(32.4)
Interest expense, net of amounts capitalized	(26,365)	(25,659)	(706)	(2.8)
Other, net	1,352	1,750	(398)	(22.7)
Total other income (expense)	(23,324)	(21,409)	(1,915)	(8.9)
Income (loss) before income taxes	(6,463)	(61,596)	55,133	89.5
Income tax (provision) benefit, net	(1,216)	12,556	(13,772)	*
<b>Effective tax rate</b>	<b>18.8%</b>	<b>20.4%</b>		
Net income (loss)	(7,679)	(49,040)	41,361	84.3
Less: Net income (loss) attributable to noncontrolling interests	(370)	(645)	275	42.6
Net income (loss) attributable to HSSC	\$ (7,309)	\$ (48,395)	\$ 41,086	84.9
<b>Other data:</b>				
Broadband subscribers, as of period end (in millions)	0.681	0.853	(0.172)	(20.2)
Broadband subscribers additions (losses), net (in millions)	(0.058)	(0.030)	(0.028)	(93.3)
Purchases of property and equipment	\$ 11,610	\$ 31,648	\$ (20,038)	(63.3)
OIBDA**	\$ 60,176	\$ 43,614	\$ 16,562	38.0

\* Percentage is not meaningful.

\*\* A reconciliation of "OIBDA" to "Operating income (loss)," the most directly comparable GAAP measure in our Condensed Consolidated Financial Statements, is included in *Non-GAAP Performance Measures and Reconciliation*. For further information on our use of "OIBDA," see Explanation of Key Metrics and Other Items.

## Item 2. MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS – Continued

The following discussion relates to our results of operations for the three months ended March 31, 2026 compared to the three months ended March 31, 2025:

**Broadband subscribers.** We lost approximately 58,000 net Broadband subscribers during the three months ended March 31, 2026 compared to the loss of approximately 30,000 net Broadband subscribers during the same period in 2025. The increase in net Broadband subscriber losses was primarily due to lower gross subscriber additions. We continue to experience increased competition from satellite-based competitors and other technologies.

**Service revenue.** "Service revenue" totaled \$249 million for the three months ended March 31, 2026, a decrease of \$28 million, or 10.2%, as compared to 2025. The decrease was primarily attributable to lower sales of broadband services to our North American consumer customers, partially offset by higher sales of broadband services to our North American enterprise customers.

**Equipment sales and other revenue.** "Equipment sales and other revenue" totaled \$75 million for the three months ended March 31, 2026, a decrease of \$13 million, or 14.6%, as compared to 2025. The decrease was primarily attributable to lower hardware sales to our international enterprise customers.

**Cost of services.** "Cost of services" totaled \$135 million for the three months ended March 31, 2026, a decrease of \$24 million, or 15.3%, as compared to 2025. The decrease was primarily attributable to lower costs of broadband services to our North American consumer and international enterprise customers, partially offset by higher costs of broadband services to our North American enterprise customers. Our "Cost of services" represented 54.0% and 57.3% of "Service revenue" during the three months ended March 31, 2026 and 2025, respectively.

**Cost of sales - equipment and other.** "Cost of sales - equipment and other" totaled \$71 million for the three months ended March 31, 2026, a decrease of \$11 million, or 13.2%, as compared to 2025. The decrease was primarily attributable to lower costs of equipment to international enterprise customers. Our "Cost of sales - equipment and other" represented 93.9% and 92.3% of "Equipment sales and other revenue" during the three months ended March 31, 2026 and 2025, respectively.

**Selling, general and administrative expenses.** "Selling, general and administrative expenses" totaled \$59 million for the three months ended March 31, 2026, a decrease of \$23 million, or 27.7%, as compared to 2025. The decrease was primarily attributable to lower marketing expenditures and lower costs to support the Company due to cost reduction measures.

**Depreciation and amortization.** "Depreciation and amortization" expense totaled \$43 million for the three months ended March 31, 2026, a decrease of \$40 million, or 48.3%, as compared to 2025. This change was primarily driven by a decrease in depreciation expense for the assets impaired during the fourth quarter of 2025.

**Income tax benefit (provision), net.** Our "Income tax benefit (provision), net" was a \$1 million provision for the three months ended March 31, 2026, as compared to a \$13 million benefit for the three months ended March 31, 2025. This change was primarily driven by a decrease in loss before income taxes and changes in our effective tax rate. Our effective tax rate for the three months ended March 31, 2026, was impacted by federal and foreign valuation allowances and state rate changes. Our effective tax rate during the three months ended March 31, 2025 was impacted by federal and foreign valuation allowances.

**Net income (loss) attributable to HSSC.** The changes in "Net income (loss) attributable to HSSC" during the three months ended March 31, 2026 compared to the same period in 2025 were primarily a result of the factors described in connection with operating revenues and operating expenses.

**Item 2. MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS – Continued****Non-GAAP Performance Measures and Reconciliation**

It is management's intent to provide non-GAAP financial information to enhance the understanding of our financial information prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), 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.

**OIBDA and Adjusted OIBDA**

OIBDA and Adjusted OIBDA, which are presented below, are non-GAAP measures and do not purport to be alternatives to operating income (loss) as a measure of operating performance.

OIBDA is calculated by adding back depreciation and amortization expense to operating income (loss). We believe this measure is useful to management, investors and other users of our financial information in evaluating operating profitability of our business on a more variable cost basis as it excludes the depreciation and amortization expenses related primarily to capital expenditures and acquisitions, as well as in evaluating operating performance in relation to our competitors.

Adjusted OIBDA is calculated by adding back depreciation and amortization expense and impairments and other to operating income (loss). We believe this measure is useful to management, investors and other users of our financial information in evaluating operating profitability as it excludes one-time, non-cash items that we do not consider to be reflective of our ongoing operating performance.

	<b>For the Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(In thousands)	
<b>Operating income (loss)</b>	\$ 16,861	\$ (40,187)
Depreciation and amortization	43,315	83,801
<b>OIBDA</b>	<b>\$ 60,176</b>	<b>\$ 43,614</b>
Impairments and other	—	—
<b>Adjusted OIBDA</b>	<b>\$ 60,176</b>	<b>\$ 43,614</b>

The changes in OIBDA and Adjusted OIBDA during the three months ended March 31, 2026, compared to the same period in 2025, were primarily a result of the factors described in connection with operating revenues and operating expenses.

**GUARANTOR FINANCIAL INFORMATION**

Our senior notes are jointly and severally guaranteed on a senior secured basis by certain of our wholly-owned subsidiaries (the "Guarantors"). Specifically, EchoStar Orbital, L.L.C., EchoStar Government Services, L.L.C., EchoStar Satellite Services L.L.C., HNS-India VSAT, Inc, Hughes Network Systems, L.L.C, HNS License-Sub L.L.C., HNS Real Estate L.L.C., Hughes Communications, Inc., Hughes Network Systems International Service, Co., HNS Americas, L.L.C., HNS Americas II, L.L.C.

Certain of our wholly-owned subsidiaries are designated as "Unrestricted Subsidiaries" and do not guarantee any of our registered senior notes. The guarantee of the Guarantors will be discharged and released in accordance with the terms of the applicable indenture. The rights of holders of the registered senior notes against the Guarantors may be limited under the U.S. Bankruptcy Code or state fraudulent transfer or conveyance law.

**Item 2. MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS – Continued**

Each entity in the summarized combined financial information follows the same accounting policies as described in our condensed consolidated financial statements. Information for the non-Guarantor subsidiaries has been excluded from the combined summarized financial information of the obligated group. The accompanying summarized combined financial information does not reflect investments of the obligated group in non-Guarantor subsidiaries. The financial information of the obligated group is presented on a combined basis and is derived from HSSC's condensed consolidated financial statements; intercompany balances and transactions within the obligated group have been eliminated. The obligated group's amounts due to non-Guarantor subsidiaries and related parties have been presented in separate line items.

The summarized balance sheet information for the obligor group of debt issued by HSSC is presented in the table below:

	<b>As of</b>	
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
	(In thousands)	
Current assets	\$ 531,807	\$ 570,212
Noncurrent assets	1,094,612	1,095,828
Current liabilities	1,962,485	2,006,221
Noncurrent liabilities	712,732	759,832
Due from non-guarantors	75,128	94,047
Due from related parties	55,515	54,278
Due to non-guarantors	20,542	30,352
Due to related parties	783,012	789,687

The summarized results of operations information for the combined obligor group of debt issued by HSSC is presented in the table below:

	<b>For the Three Months Ended</b>	
	<b>March 31, 2026</b>	
	(In thousands)	
Total revenues	\$	276,714
Operating income (loss)		11,444
Net income (loss)		(12,950)
Revenue from non-guarantors		3,166

The indentures governing our Notes contain restrictive covenants that, among other things, impose limitations on our ability and the ability of certain of our subsidiaries to pay dividends or make distributions, incur additional debt, make certain investments, create liens or enter into sale and leaseback transactions, merge or consolidate with another company, transfer and sell assets, enter into transactions with affiliates or allow to exist certain restrictions on the ability to pay dividends, make distributions, make other payments, or transfer assets.

**Satellites**

Operation of our Hughes segment requires adequate satellite transmission capacity for the services that we offer. 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.

**Satellite Insurance**

We generally do not carry commercial in-orbit insurance on any of the satellites that we own and therefore, we will bear the risk associated with any uninsured in-orbit satellite failures.

**Item 2. MANAGEMENT'S NARRATIVE ANALYSIS OF RESULTS OF OPERATIONS – Continued**

We will continue to assess circumstances going forward and make insurance-related decisions on a case-by-case basis.

**Satellite Anomalies and Impairments**

Our satellites may experience anomalies from time to time, some of which may have a significant adverse effect on their remaining useful lives, the commercial operation of the satellites, our operating results or financial position. Other than the anomalies related to the Al Yah 3 satellite in 2023, which we no longer utilize, we are not aware of any other anomalies with respect to our owned or leased satellites as of March 31, 2026. 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.

**New Accounting Pronouncements**

See Note 2 in the Notes to our Condensed Consolidated Financial Statements for further information.

#### **Item 4. CONTROLS AND PROCEDURES**

##### **Conclusion regarding disclosure controls and procedures**

Under the supervision and with the participation of our management, including our Chief Executive Officer and Principal Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

##### **Changes in internal control over financial reporting**

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### **PART II — OTHER INFORMATION**

#### **Item 1. LEGAL PROCEEDINGS**

See Note 9 “*Commitments and Contingencies – Litigation*” in the Notes to our Condensed Consolidated Financial Statements for information regarding certain legal proceedings in which we are involved.

#### **Item 1A. RISK FACTORS**

Item 1A, “Risk Factors,” of our Annual Report on Form 10-K for the year ended December 31, 2025 includes a detailed discussion of our risk factors. The information presented below updates, and should be read in conjunction with, the risk factors and information disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025.

**Item 6. EXHIBITS**

*Exhibits.*

- 22  [List of Subsidiary Guarantors](#)
- 31.1  [Section 302 Certification of Chief Executive Officer.](#)
- 31.2  [Section 302 Certification of Principal Financial Officer.](#)
- 32.1  [Section 906 Certification of Chief Executive Officer.](#)
- 32.2  [Section 906 Certification of Principal Financial Officer.](#)
- 99.1\* [Letter to EchoStar regarding review of compliance with its federal obligations to provide 5G service throughout the United States, dated May 9, 2025 \(incorporate by reference from Exhibit 99.1 to EchoStar Corporation's Current Report on Form 8-K filed May 13, 2025\).](#)
- 99.2\* [Letter to EchoStar regarding review of compliance with its federal obligations to provide 5G service throughout the United States, dated September 8, 2025 \(incorporated by reference from Exhibit 99.1 to EchoStar Corporation's Current Report on Form 8-K filed September 9, 2025.\)](#)
- 101  The following materials from the Quarterly Report on Form 10-Q of Hughes Satellite Systems Corporation for the quarter ended March 31, 2026 filed on May 12, 2026 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 Stockholder's Equity (Deficit), (iv) Condensed Consolidated Statements of Cash Flows and (v) related notes to these financial statements.
- 104  Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

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Filed herewith.

\* Incorporated by reference.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**HUGHES SATELLITE SYSTEMS CORPORATION**

By: /s/ Hamid Akhavan  
Hamid Akhavan  
President and Chief Executive Officer  
*(Principal Executive Officer)*

By: /s/ Paul W. Orban  
Paul W. Orban  
Executive Vice President and Chief Financial Officer  
*(Principal Financial Officer and Principal Accounting Officer)*

Date: May 12, 2026

### List of Guarantor Subsidiaries

The 5 1/4% Senior Secured Notes due 2026 and 6 5/8% Senior Unsecured Notes due 2026 issued by Hughes Satellite Services Corporation (incorporated in Colorado) are jointly and severally guaranteed on a full and unconditional basis by the following 100% owned subsidiaries of Hughes Satellite Systems Corporation as of March 31, 2026:

<b>Entity</b>	<b>State or Country of Incorporation</b>
EchoStar Orbital, L.L.C.	Colorado
EchoStar Government Services, L.L.C.	Colorado
EchoStar Satellite Services L.L.C.	Delaware
HNS-India VSAT, Inc	Delaware
Hughes Network Systems, L.L.C.	Delaware
HNS License-Sub L.L.C.	Delaware
HNS Real Estate L.L.C.	Delaware
Hughes Communications, Inc.	Delaware
Hughes Network Systems International Service, Co.	Delaware
HNS Americas, L.L.C.	Delaware
HNS Americas II, L.L.C.	Delaware

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**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**  
**Section 302 Certification**

I, Hamid Akhavan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hughes Satellite Systems 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 12, 2026

/s/ Hamid Akhavan

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President and Chief Executive Officer

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**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 Hughes Satellite Systems 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 12, 2026

*/s/ Paul W. Orban*

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Principal Financial Officer

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**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**  
**Section 906 Certification**

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Hughes Satellite Systems Corporation (the "Company") hereby certifies that to the best of his knowledge the Company's Quarterly Report on Form 10-Q for the three months ended March 31, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and 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 12, 2026

Name: /s/ Hamid Akhavan

Title: President and Chief Executive Officer

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 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 the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**  
**Section 906 Certification**

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Hughes Satellite Systems Corporation (the "Company") hereby certifies that to the best of his knowledge the Company's Quarterly Report on Form 10-Q for the three months ended March 31, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and 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 12, 2026

Name: /s/ Paul W. Orban

Title: Principal Financial Officer

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 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 the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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