Court File No. CV-25-00734802-00CL

Ligado Networks LLC *et al*

FIRST REPORT OF THE INFORMATION OFFICER

February 7, 2025

FTI CONSULTING

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C., 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF LIGADO NETWORKS LLC, LIGADO NETWORKS CORP., LIGADO NETWORKS HOLDINGS (CANADA) INC., LIGADO NETWORKS (CANADA) INC., ATC TECHNOLOGIES, LLC, LIGADO NETWORKS INC. OF VIRGINIA, ONE DOT SIX LLC, ONE DOT SIX TVCC LLC, LIGADO NEWORKS SUBSIDIARY LLC, LIGADO NETWORKS FINANCE LLC, AND LIGADO NETWORKS BUILD LLC

APPLICATION OF LIGADO NETWORKS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C., 1985, c. C-36, AS AMENDED

FIRST REPORT OF THE INFORMATION OFFICER

INTRODUCTION

1. On January 5, 2025 (the "**Petition Date**"), Ligado Networks LLC ("**Ligado**") and certain of its affiliates (collectively, the "**Debtors**"), including Ligado Networks Corp. ("**Networks Corp.**"), Ligado Networks Holdings (Canada) Inc. ("**Holdings**") and Ligado Networks (Canada) Inc. ("**Networks Inc.**", and collectively with Networks Corp. and Holdings, the "**Canadian Debtors**"), filed voluntary petitions for relief (collectively, the "**Petitions**" and each a "**Petition**") in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") under chapter 11 of title 11 of the United States Code (the "**U.S. Bankruptcy Code**"). The proceedings before the U.S. Court commenced by the Petitions are hereinafter referred to as the "**Chapter 11 Cases**".

2. Several first day motions filed by the Debtors in the Chapter 11 Cases for various orders (collectively, the "**First Day Orders**") were heard before the U.S. Court on January 7, 2025 (the "**First Day Hearing**"). Following the First Day Hearing, the U.S. Court granted, among others, the First Day Orders to permit the Debtors to continue to operate their business in the

ordinary course and to advance their proposed reorganization. The First Day Orders granted by the U.S. Court included the Foreign Representative Order, the Interim Cash Management Order, the Joint Administration Order, the Interim Insurance Order, the Interim Tax Order, the Interim Utilities Order, the Interim Wages Order, the Omni Retention Order, the Personal Information Redaction Order, and the Interim DIP Order – each as described and defined in the Pre-Filing Report of the Proposed Information Officer dated January 14, 2025 (the "**Pre-Filing Report**").

3. On January 14, 2025, Ligado in its capacity as the proposed foreign representative of the Debtors (the "**Foreign Representative**") in respect of the Chapter 11 Cases filed an application (the "**Recognition Proceedings**") under Part IV of the *Companies' Creditors Arrangement Act, R.S.C., 1985, c. C-36,* as amended (the "**CCAA**") with the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") seeking the following relief:

   (a) an initial recognition order (the "**Initial Recognition Order**"), *inter alia*, declaring Ligado is a "foreign representative" as defined in section 45 of the CCAA, declaring the centre of main interests for the Debtors is the United States of America, recognizing the Chapter 11 Cases as a foreign main proceeding, and granting a stay of proceedings against the Debtors in Canada; and

   (b) a supplemental recognition order (the "**Supplemental Order**"), *inter alia*, recognizing certain of the First Day Orders issued in the Chapter 11 Cases, appointing FTI Consulting Canada Inc. ("**FTI Canada**") as Information Officer (in such capacity, the "**Information Officer**"), and granting the Administration Charge and the DIP Lender's Charge (each as defined in the Supplemental Order) on the Canadian Debtors' property in Canada.

4. On January 16, 2025, the Honourable Justice Cavanagh of the Canadian Court granted the Initial Recognition Order and the Supplemental Order. Copies of the Initial Recognition Order, the Supplemental Order, and the accompanying endorsement of the Honourable Justice Cavanagh, each dated January 16, 2025, can be found on the Information Officer's Case Website (as defined below).

5. On January 27, 2025, the U.S. Court granted and entered the Order Authorizing Payment of the AST Transaction Break-Up Fee and Break-Up Reimbursements (the "**Break-Up Compensation Order**"). The Break-Up Compensation Order is summarized in the Pre-Filing Report and discussed in further detail below. The Foreign Representative is seeking recognition of the Break-Up Compensation Order by the Canadian Court.

6. On January 31, 2025, with no objections having been filed, the U.S. Court granted and entered the Final Order (i) Authorizing the Payment of Certain Taxes and Fees and (ii) Granting Related Relief (the "**Final Taxes Order**").

7. On February 3, 2025, with no objections having been filed, the U.S Court granted and entered several final orders (together with the Final Taxes Order, the "**Second Day Orders**").

8. In addition to the Break-Up Compensation Order, the Foreign Representative is seeking recognition by the Canadian Court of the following Second Day Orders:

   (a) *Final Order (i) Authorizing the Debtors to (a) Continue to Operate their Cash Management System and Maintain Existing Bank Accounts, (b) Utilize their Credit Cards, and (c) Engage in Intercompany Transactions, (ii) Granting a Waiver of the Requirements of Section 345(b) of the U.S. Bankruptcy Code and U.S. Trustee Guidelines, and (iii) Granting Related Relief* (the "**Final Cash Management Order**");

   (b) *Final Order (i) Authorizing the Debtors to (a) Maintain Insurance Policies and Surety Bond Program and Honor Obligations Thereunder, and (b) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies and Surety Bonds, and (ii) Granting Related Relief* (the "**Final Insurance Order**");

   (c) *Final Order (i) Approving the Proposed Adequate Assurance of Payment for Future Utility Services and Related Procedures, (ii) Prohibiting Utility Companies to Alter, Refuse, or Discontinue Services, and (iii) Granting Related Relief* (the "**Final Utilities Order**"); and

   (d) *Final Order (i) Authorizing the Debtors to (a) Satisfy Prepetition Obligations on Account of Compensation and Benefits Programs and (b) Continue Compensation and Benefits Programs, and (ii) Granting Related Relief* (the "**Final Wages Order**").

9. On February 5, 2025, the U.S. Court granted the Final Order (i) Authorizing the Debtors to (a) Obtain Postpetition Financing and (b) Use Cash Collateral; (ii) Granting Liens and Superpriority Administrative Expense Claims; (iii) Granting Adequate Protection; (iv) Modifying the Automatic Stay; and (v) Granting Related Relief (the "**Final DIP Order**"). The Foreign Representative is also seeking recognition of the Final DIP Order by the Canadian Court, which is particularly important to the Debtors as it represents a Milestone (as defined below) under the Restructuring Support Agreement (the "**RSA**").

10. This report (the "**First Report**") has been filed by the Information Officer in these Recognition Proceedings to inform the Canadian Court on the following with respect to the relief sought by the Foreign Representative during the hearing before the Canadian Court scheduled for February 10, 2025 (the "**February Hearing**"):

    (a) events in the Chapter 11 Cases since the date of the Pre-Filing Report, including:

        i. confirmation by the U.S. Trustee for the District of Delaware (the "**U.S. Trustee**") in the Chapter 11 Cases that a committee of unsecured creditors (a "**UCC**") has not been appointed;

        ii. scheduling of a meeting of creditors;

        iii. granting of the Break-Up Compensation Order;

        iv. granting of the Second Day Orders by the U.S. Court;

        v. granting of the Final DIP Order; and

        vi. development of the RSA and the Plan;

    (b) the activities of the Information Officer since the date of the Pre-Filing Report;

    (c) the Information Officer's views regarding the Foreign Representative's motion for an order (the "**Second Supplemental Order**") and the related amendments to the Supplemental Order (the "**Amended Supplemental Order**"), including among other things:

        i. recognizing the Break-Up Compensation Order, the Second Day Orders, and the Final DIP Order; and

ii. in relation to the Break-Up Fee Compensation Order, granting a charge on the Canadian Debtors' property in Canada (the "**Break-Up Charge**"), which shall be consistent with the liens and charges granted by the Break-Up Compensation Order and rank below the Administration Charge and above the DIP Lender's Charge (each as defined in the Supplemental Order);

(d) Ligado's actual receipts and disbursements for the 4-week period ended February 2, 2025; and

(e) Ligado's updated and extended cash flow forecast for the 13-week period ending May 4, 2025 (the "**February Cash Flow Forecast**").

TERMS OF REFERENCE

11. In preparing this First Report, the Information Officer has relied upon unaudited financial information prepared by the Debtors and their representatives, the Debtors' books and records, and discussions with Canadian counsel and other advisors to the Foreign Representative and the Canadian Debtors (collectively, the "**Information**").

12. Except as described in this First Report:

(a) the Information Officer has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants of Canada Handbook* (the "**Handbook**") and, accordingly, the Information Officer expresses no opinion or other form of assurance in respect of the Information; and

(b) the Information Officer has not examined or reviewed forecasts and projections referred to in this First Report in a manner that would comply with the procedures described in the Handbook.

13. Future oriented financial information reported in or relied on in preparing this First Report is based on the assumptions and estimates of the Debtors. Actual results may vary from such Information and these variations may be material.

14. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars. Capitalized terms used but not defined herein have the meanings given to them

in the Pre-Filing Report, the Affidavits of Douglas Smith sworn January 14, 2025 and February 6, 2025 (the "**First Smith Affidavit**" and the "**Second Smith Affidavit**", respectively, and collectively, the "**Smith Affidavits"**) as applicable. A copy of the Pre-Filing Report (without appendices) is attached as **Appendix "A".**

15. The Information Officer prepared this First Report in connection with the Foreign Representative's motion for, and relief sought within, the Second Supplemental Order, and this report should not be relied on for any other purposes.

16. Materials filed in relation to the Recognition Proceedings are available on the Information Officer's website at: http://cfcanada.fticonsulting.com/ligado/ (the "**Case Website**"). All materials filed in relation to the Chapter 11 Cases are available on the case website maintained by Omni Agent Solutions in its capacity as the Debtor's claims and noticing agent at: https://cases.omniagentsolutions.com/docket/list?clientId=3567 (the "**Docket**").

EVENTS IN THE CHAPTER 11 CASES SINCE THE DATE OF THE PRE-FILING REPORT

No UCC Appointed

17. On January 16, 2025, the U.S. Trustee filed a statement (the "**UCC Statement**") confirming that an unsecured creditors' committee ("**UCC**") has not been appointed. Pursuant to the UCC Statement, there was an insufficient response to the U.S. Trustee communications/contact for service on the committee, which resulted in no appointment of a UCC. A copy of the UCC Statement is attached hereto as **Appendix "B"**.

Section 341 Meeting

18. On January 21, 2025, the U.S. Trustee issued a Notice (the "**341 Meeting Notice**") of Telephonic Section 341 Meeting stating that a meeting of creditors will be held telephonically on February 14, 2025, at 11:00 am prevailing Eastern Time. The purpose of the meeting is to provide creditors and parties in interest an opportunity to examine the Debtors' financial affairs. A copy of the 341 Meeting Notice is attached hereto as **Appendix "C".**

The Break-Up Compensation Order

19. On January 27, 2025, the U.S. Court entered the Break-Up Compensation Order thereby satisfying a Milestone (as defined below) set forth in the RSA. Please refer to the section below for an overview of the Order and the circumstance in which it was granted.

Development of the RSA and the Plan

20. The RSA sets forth key case milestones by which the Debtors' restructuring plan must progress (each, a "**Milestone**" and collectively, the "**Milestones**"). The table rows highlighted in light blue represent Milestones pertaining to these Recognition Proceedings – specifically, the timeline by which certain orders of the U.S. Court must be recognized by the Canadian Court. The Milestones have not changed since the filing of the Pre-Filing Report and the table below has been updated to reflect recent developments that have occurred since the Pre-Filing Report.

Milestone	Timeline
Commencement of Chapter 11 Cases	No later than 11:59 pm ET on January 5, 2025. ***Commenced on January 5, 2025***
Break-Up Fee Motion i) Filing and ii) Scheduling of hearing	i) No later than one day after the Petition Date, Break-Up Fee Motion to be filed. ***Filed January 6, 2025***; and, ii) No later than 22 days after the Petition Date, Break-Up Fee Motion hearing to be scheduled. ***Hearing cancelled with permission from the Court on January 27, 2025***
U.S. Court enters Interim DIP Order	No later than five days after the Petition Date. ***Interim DIP Order entered on January 8, 2025***
Canadian Court grants Initial Recognition Order and recognizes Interim DIP Order	No later than 10 business days after the Petition Date ***Initial Recognition Order entered on January 16, 2025***
U.S. Court enters Break-Up Compensation Order	No later than 35 days after the Petition Date ***Break-Up Compensation Order entered on January 27, 2025***
U.S Court enters Final DIP Order	No later than 35 days after the Petition Date ***Final DIP Order entered on February 5, 2025***

Canadian Court recognizes Final DIP Order	No later than 10 business days after U.S. Court entry of the Final DIP Order ***Hearing scheduled for February 10, 2025***
Debtors to execute definitive documents for AST Transaction ("**AST Definitive Agreements Execution Milestone**")	No later than 75 days after the Petition Date
Debtors to file motion to approve definitive documents for AST Transaction	No later than 75 days after the Petition Date
Debtors to file the Chapter 11 plan, Disclosure Statement, and motion seeking approval of Solicitation Materials	No later than 75 days after the Petition Date
Company and Required Consenting Creditors to agree on form of new Management Incentive Plan	No later than 7 days after the AST Definitive Agreements Execution Milestone
U.S. Court enters the Disclosure Statement Order	No later than 110 days after the Petition date
U.S. Court enters AST Definitive Agreements Order	No later than 110 days after the Petition date
U.S. Court shall have entered the Confirmation Order	No later than 145 days after the Petition date
Canadian Court recognizes Confirmation Order	No later than 10 days after the entry of the Confirmation Order by the U.S. Court
Effective date of the Chapter 11 plan	No later than 40 months after the Petition Date

21. Since the date of the Pre-Filing Report, the Debtors have continued to further their restructuring plan, including by obtaining the Initial Recognition Order and Interim DIP Order from the Canadian Court, as well as obtaining the Break-Up Compensation Order, the Final DIP Order and the other Second Day Orders from the U.S. Court.

22. Pursuant to the Milestones, Ligado must next obtain recognition of the Final DIP Order by the Canadian Court no later than 10 business days after the U.S. Court enters the Final DIP Order. The February Hearing is scheduled in time to enable Ligado to meet this Milestone, should the Canadian Court recognize the Final DIP Order.

23. The Debtors continue to negotiate definitive documentation for the AST Transaction and develop the Chapter 11 plan, disclosure statement, and related motion materials with the intent of completing all objectives on or before the relevant Milestones.

24. The U.S. Court has reserved March 4, 2025 at 11:00 am prevailing Eastern Time, for an omnibus hearing in connection with certain motions, including without limitation: (a) Debtors' Motion for Entry of an Order Establishing Procedures for Compensation and Reimbursement of Professionals; and, (b) certain additional motions which the Debtors may file in advance of and to be heard at such time.

ACTIVITIES OF THE INFORMATION OFFICER SINCE THE DATE OF THE PRE-FILING REPORT

25. Since the date of the Pre-Filing Report, the activities of the Information Officer have included, among other things:

    (a) preparing for and attending the Foreign Representative's application for the Initial Recognition Order and the Supplemental Order;

    (b) monitoring the Docket to remain apprised of materials filed in the Chapter 11 Cases;

    (c) establishing and updating the Case Website;

    (d) publishing of notices required pursuant to the Initial Recognition Order, which notices were published in *The Globe and Mail (National Edition)* on January 22, 2025, and January 29, 2025. A copy of the publications is attached hereto as **Appendix "D"**;

    (e) engaging in discussions with the Debtors regarding their cash flows and the Information Officer's review of same;

    (f) monitoring the receipts and disbursements of the Debtors and the Canadian Debtors;

    (g) responding to inquiries from stakeholders regarding the Recognition Proceedings and related matters;

    (h) engaging in discussions with Canadian counsel, U.S. Counsel, and other advisors to the Foreign Representative and the Debtors;

(i) engaging in discussions with FTI U.S., the financial and restructuring advisors of the Debtors;

(j) corresponding with Stikeman Elliott LLP, the Information Officer's independent counsel;

(k) reviewing each of the Break-Up Compensation Order, Final DIP Order, and the other Second Day Orders, in respect of which recognition is being sought;

(l) preparing this First Report; and

(m) preparing for the hearing of the Foreign Representative's motion for recognition of the Break-Up Compensation Order, the Final DIP Order, and the other Second Day Orders.

REQUEST FOR RECOGNITION OF THE BREAK-UP COMPENSATION ORDER, FINAL DIP ORDER, AND OTHER SECOND DAY ORDERS

26. The Foreign Representative is seeking recognition of the following orders at the February Hearing:

(a) the Break-Up Compensation Order;

(b) the Final DIP Order; and

(c) the other Second Day Orders.

The Break-Up Compensation Order

27. The Break-Up Compensation Order authorizes; (a) a break-up fee in the amount of $200 million subject to certain limitations (the "**Break-Up Fee**"); and, (b) a reimbursement to AST for all amounts paid by AST to the Debtors on account of the Debtors' obligations under the Inmarsat Agreement and the CCI Agreement (the "**Break-Up Reimbursements**", and collectively with the Break-Up Fee, the "**Break-Up Compensation**"). A summary of the Break-Up Compensation Motion seeking approval and entry of the proposed Break-Up Compensation Order (the "**Proposed Break-Up Compensation Order**") by the U.S. Court is included in the Pre-Filing Report.

28. Capitalized terms used but not defined in this section shall have the meanings ascribed to such terms in: (a) the Pre-Filing Report; (b) the Declaration of Bruce Mendelsohn, Partner and Global Head of the Financing and Capital Solutions Group at Perella Weinberg Partners L.P. ("**PWP**") dated January 6, 2025, in support of the Break-Up Compensation Motion (the "**Break-Up Compensation Declaration**") attached hereto as **Appendix "E"**; and (c) the Supplemental Declaration of Bruce Mendelsohn dated January 25, 2025, in support of the Break-Up Compensation Motion and Revised Break-Up Compensation Order (the "**Supplemental Break-Up Compensation Declaration**", and collectively with the Break-Up Compensation Declaration, the "**Break-Up Compensation Declarations**") attached hereto as **Appendix "F"**.

29. Prior to the objection deadline of January 21, 2025, the U.S. Trustee objected to the Break-Up Compensation Motion and related Break-Up Compensation Order. The U.S. Trustee stated that the U.S. Court should deny the Break-Up Compensation Motion unless several aspects of the Break-Up Fee were clarified. Specifically, the U.S. Trustee objected to the motion on the following grounds:

    (a) there is no basis in the U.S. Bankruptcy Code to give superpriority status to the Break-Up Fee;

    (b) the Break-Up Fee should not be payable if the AST Transaction is not consummated for regulatory reasons;

    (c) the Break-Up Fee should be payable only if the Debtors consummate a higher and better alternative transaction – not simply any alternative transaction;

    (d) the documents in the Break-Up Compensation Motion provide for a second break-up fee – which could reach $450 million – if resolution of the Takings Clause Litigation prevents AST's use of the Debtors' spectrum, and the form of order should clarify this second break-up fee is not being approved currently; and

    (e) the Debtors have not demonstrated that the Break-Up Fee totaling $200 million is market.

30. The Debtors reviewed the objections of the U.S. Trustee and, following further discussions with the U.S. Trustee and AST, were able to resolve all of the U.S. Trustee's objections through the insertion of certain negotiated language and revisions to the final form of Break-Up Compensation Order (the "**Revised Break-Up Compensation Order**"), described in further detail below. Accordingly, the U.S. Trustee withdrew its objections.

31. The Revised Break-Up Compensation Order contains the following key amendments to address the objections of the U.S. Trustee vis-à-vis the Proposed Break-Up Compensation Order:

    (a) In the event any Party terminates the RSA during a time when the Debtors could not have terminated the RSA pursuant to Section 10.04(f)[1], the Company shall only be required to pay the Break-Up Fee if the Company subsequently consummates a Qualifying Transaction (as defined in Section 15.01(c)(ii)[2] of the RSA) that constitutes a higher or better transaction relative to the AST Transaction. The Break-Up Fee is not payable if the Debtors validly terminate the RSA pursuant to Section 10.04(f) of the RSA, or any Party validly terminates the RSA at a time when the Debtors could have terminated the RSA in accordance with Section 10.04(f) of the RSA, in each case to accept a Superior Commercial Transaction Proposal; and

    (b) In the event the RSA is validly terminated solely due to a failure of the Parties to receive applicable regulatory approvals for the AST Transaction, the Break-Up Fee shall only be payable if all other requirements with respect to payment of the Break-Up Fee are satisfied and the Debtors subsequently consummate a Qualifying Transaction that also constitutes a higher or better transaction relative to the AST Transaction.

[1] Pursuant to Section 10.04(f) of the RSA, the Parent Board may terminate the agreement between the entry of the Break-Up Compensation Order and the AST Definitive Agreements Order, provided that the Company has materially complied with Section 12 (*No Solicitation; Fiduciary Duties*) and, if terminating for a Superior Commercial Transaction Proposal, it must execute a binding agreement for the new transaction at the same time as the termination.
[2] Pursuant to Section 15.01(c)(ii) of the RSA, a "Qualifying Transaction" is defined as when the Company consummates an Alternative Commercial Transaction with (A) a party that submitted a *bona fide*, written Alternative Commercial Transaction Proposal before any termination or (B) a different party that submitted a *bona fide*, written Alternative Commercial Transaction as a result of the Company having received an Alternative Commercial Transaction Proposal.

32. With all objections and concerns ultimately resolved, the Revised Break-Up Compensation Order was submitted to the U.S. Court for approval on consent.

33. On January 27, 2025, based on the evidence provided by Ligado in support of the Break-Up Compensation Motion and with all objections resolved, the U.S. Court granted and entered the Revised Break-Up Compensation Order. A copy of the Revised Break-Up Compensation Order is attached hereto as **Appendix "G"**.

The Break-Up Compensation Declarations

34. As noted in the Pre-Filing Report and the Smith Affidavits, the Debtors continue to be of the view that the ability to consummate the AST Transaction before confirmation of a Chapter 11 plan is critical in achieving a value maximizing transaction and successful restructuring. Further, the Break-Up Compensation is a key pillar to ensuring AST's on-going commitment to the AST Transaction.

35. The Break-Up Compensation Declarations support the Debtors' views and emphasize the following:

    (a) the AST Transaction, including the Break-Up Compensation, is a critical part of a complex restructuring plan to maximize value of the Debtors' assets, and was negotiated at arm's length and in good faith;

    (b) approximately 88% of the outstanding aggregate principal amount of the Prepetition Secured Debt support the Break-Up Compensation via approval of the RSA and AST Transaction;

    (c) the RSA contains a "fiduciary out" in the event the Debtors receive an Alternative Commercial Transaction Proposal;

    (d) the AST Transaction is highly complex, multi-faceted and does not have a fixed value, but instead includes a revenue share component resulting in a heavily negotiated quantum for the Break-Up Compensation;

    (e) given the complexity and range of possible outcomes and potential values attributable to the AST Transaction, the Break-Up Compensation is reasonable and provides a material benefit to the Debtors' estate; and

(f) AST has clearly communicated that its offer to enter into the RSA and execute the AST Transaction was conditioned on the Milestones and deal protection provisions, including the Break-Up Compensation.

36. Based on the evidence provided, the U.S. Court granted the Revised Break-Up Compensation Order based on its findings as follows:

(a) the Debtors have demonstrated and proven that their performance of the obligations related to the RSA and the AST Transaction, including the Break-Up Compensation, are in the best interests of the Debtors, their creditors, their estates, and all parties in interest, and that the foregoing represents sounds business judgement, and were negotiated at arm's length and in good faith;

(b) the Debtors have articulated good, sufficient, and sound business justifications for performance of the obligations under the RSA, including the Break-Up Compensation, and the legal and factual bases set forth in the Motion, the First Day Declaration, and the Break-Up Compensation Declarations establish just and sufficient cause to grant the Revised Break-Up Compensation Order;

(c) the Break-Up Compensation is necessary to ensure AST will continue to pursue and consummate the AST Transaction and the RSA, and is fair, reasonable, and appropriate in light of the size, nature, and complexity of the AST Transaction, the RSA, and the significant efforts that have been and will continue to be expended by AST in connection therewith;

(d) the Break-Up Reimbursements constitute an extension of credit to the Debtors and shall have the status of an allowed super-priority administrative expense claim against the Debtors' estates, subject only to the Carve-Out (as defined in the Final DIP Order); and

(e) the Break-Up Fee shall have the status of an allowed administrative expense claim; provided that the DIP Lenders have agreed that any administrative claims or super-priority administrative claims granted or arising under the DIP Order shall be subordinated fully and in all respects to the Break-Up Compensation; and provided,

further, that the Break-Up Fee shall be subject to the Carve-Out (as defined in the Final DIP Order).

37. The Information Officer has reviewed the Break-Up Compensation Motion, the Break-Up Compensation Declarations, the Smith Affidavits, the Smith Declaration, and the objections of the U.S. Trustee which led to the negotiated resolution resulting in the Revised Break-Up Compensation Order.

38. The Information Officer is of the view that recognition of the Break-Up Compensation Order is appropriate in the circumstances for the following reasons:

    (a) the U.S. Court, who has proper primary jurisdiction over the Chapter 11 Cases, granted the Revised Break-Up Compensation Order on consent without a formal hearing based on the evidence provided by Ligado noted above, and recognition by the Canadian Court furthers the principles of comity, cooperation and accommodation with foreign courts;

    (b) the U.S. Trustee has withdrawn its objections to the Break-Up Compensation Order;

    (c) the Break-Up Compensation Order is a critical component of the AST Transaction and the RSA, which provide for the restructuring of the Debtors to the benefit of their stakeholders generally, including Canadian stakeholders; and

    (d) coordination of proceedings in Canada and the United States will ensure treatment of Canadian stakeholders is effectively equal and fair to the treatment of the Debtors' stakeholders as a whole regardless of location.

Amendment to the Supplemental Order, re: Break-Up Compensation Charge

39. The Foreign Representative is seeking the Amended Supplemental Order to provide for a court-ordered charge for the benefit of AST in respect of the Break-Up Compensation (the "**Break-Up Compensation Charge**") ranking below the Administration Charge and above the DIP Lender's Charge.

40. Given the U.S. Court's finding regarding, and approval of, the Revised Break-Up Compensation Order, the DIP Lenders' agreement that any administrative claims or superpriority administrative claims granted or arising under the Final DIP Order shall be fully

subordinated to the Break-Up Compensation (subject to the Carve-Out), and subject to recognition of the Break-Up Compensation Order by the Canadian Court, the Information Officer is of the view that the proposed amendments contained within the Amended Supplemental Order and granting of the Break-Up Compensation Charge are appropriate in the circumstances.

The Final DIP Order

41. On January 8, 2025, as described in the Pre-Filing Report, the U.S. Court entered the Interim DIP Order that, among other things, authorized the Debtors to enter into the DIP Loan Agreement to provide the Debtors with the necessary liquidity to finance their operations during the Chapter 11 Cases and Recognition Proceedings (the "**DIP Facility**"):

    (a) new money term loans to be made in:

        (i) an Initial Draw of up to $12,000,000 following entry of the Interim DIP Order; and

        (ii) after entry of the Final DIP Order, subsequent new money term loan draws in an aggregate principal amount of $429,999,891, which will be available subject to satisfaction of certain milestones and conditions precedent; and

    (b) subject to approval and entry of the Final DIP Order by the U.S. Court, a "roll-up" of Prepetition First Lien Debt (other than the Prepetition First Out Term Loans, which are expected to be paid off in cash in full) in the aggregate principal amount of between $441,999,891 and $497,133,616 in accordance with the terms and conditions set forth in the Final DIP Order.

42. The DIP Facility is described in further detail in the Pre-Filing Report. Capitalized terms used but not immediately defined in this section shall have the meanings ascribed to such terms in: (a) the senior secured super-priority debtor in possession loan agreement dated January 5, 2025 (the "**DIP Loan Agreement**") by and among Ligado Networks LLC, as borrower, the Subsidiary Guarantors (as such term is defined therein), U.S. Bank Trust Company, National Association as administrative agent (in such capacity, the "**DIP Agent**"), and the lenders party thereto from time to time; (b) the Interim DIP Order and the Final DIP Order; and (c) the DIP Declaration.

43. On January 29, 2025, prior to the objection deadline for the Final DIP Order, Inmarsat Global Limited ("**Inmarsat**") filed an objection to the Final DIP Order requesting that the Final DIP Order should be rejected in its current form as summarized below:

(a) **The Standard for Approval of Post-Petition Financing Was Not Met:** The DIP Loan terms were procured through an abbreviated process, which provided a preference to Ligado's existing lenders and resulted in objectionable terms;

(b) **The Proposed Fees and Interest Rate Are Excessive:** Vis-à-vis the new money commitments and the enhanced collateral package, the proposed fees and interest favour the DIP Lenders and are objectionable;

(c) **The DIP Loan's Maturity Date and Numerous DIP Milestones All But Ensure Inevitable Defaults and Resulting Debtor Concessions, or Even Foreclosure:** The RSA's outside date of 40 months does not match the DIP Facility's scheduled maturity date of four months from the Petition Date, and can only be extended for up to 20 months beyond the initial period with approval of certain DIP Lenders, which increases the risk of a default;

(d) **The "Roll-Up" of Approximately $800 Million of Prepetition Obligations into Superpriority Administrative Claims Is Not Justified:** The existing lenders have broad, but not complete security interests. The proposed "roll-up" and resulting expansion of collateral to include the avoidance actions is problematic when those assets should properly benefit the estate as a whole, not just the DIP Lenders;

(e) **The Proposed DIP Facility Contains Other Overreaching Terms:** The DIP terms improperly waive rights set forth in the Bankruptcy Code or in settled bankruptcy doctrine to protect unsecured creditors:

(i) **Encumbrance on Avoidance Action Proceeds:** The DIP Lenders' superpriority liens should not include avoidance actions or the proceeds thereof;

(ii) **Section 552(b) Waiver:** The Debtors do not have the authority to waive the "equities of the case" exception under section 552(b) of the Bankruptcy Code, which permits the court to deny a lien on post-petition proceeds, products, offspring, or profits of prepetition collateral based on the "equities of the case";

(iii) **Section 506(c) Waiver:** The motion for the Final DIP Order provides no basis upon which the Debtors should waive the ability to surcharge the Lenders' collateral; and

(iv) **Marshaling Waiver:** The Debtors should not be permitted to waive any rights to marshal assets;

(f) **The Challenge Period Should Be Extended and Inmarsat Should Be Given Standing and Funding to Investigate the DIP Loan Further:** The challenge period should be no less than 120 days from entry of any final order approving the DIP and that Inmarsat should be granted immediate standing to investigate and pursue any available challenge to the prepetition secured parties' claims, liens or interest. Inmarsat also seeks a superpriority administrative expense claim for reviewing and challenging the DIP and the Lenders' prepetition liens.

44. Given the above arguments, Inmarsat requested that the U.S. Court (a) deny the Final DIP Order; (b) grant Inmarsat and other creditors additional time to review the DIP Loans and, if appropriate, further challenge the terms and conditions therein; and (c) grant Inmarsat a superpriority administrative expense claim under Bankruptcy Code section 503(b)(9) for reviewing and challenging the Final DIP Order and the Lenders' prepetition liens.

45. On February 3, 2025, the Debtors responded to the Inmarsat objection to the Final DIP Order. The response of the Debtors is summarized below:

(a) **The DIP Facility Economics and Milestones Are Reasonable and Supported Across the Entire Capital Structure:** The DIP Facility is essential and was negotiated to balance the interests of stakeholders. Inmarsat's objection to specific terms (i.e., milestones, fees, roll-up provisions) ignores the necessity of these provisions in securing financing;

(i) **The DIP Facility Economics Are Reasonable in the Debtors Chapter 11 Cases:** The DIP fees and interest rate are justified given the lack of alternative DIP Lenders. Additionally, the roll-up and refinancing provisions were necessary to ensure that financing was secured; and

(ii) **The DIP Milestones and Maturity Terms Are Reasonable Given the Unique Nature of the Debtors' Business:** The milestones and maturity dates are reasonable given the complexity of the Debtors' business and regulatory needs;

(b) **The Other DIP Terms Are Standard in Chapter 11 Cases and Warranted Here:** Inmarsat challenges certain terms of the DIP Facility, claiming they waive protections for unsecured creditors, but these terms are standard in Chapter 11 cases and appropriate given the circumstances. Additionally, there is no evidence of unencumbered assets, and unsecured claims are expected to remain unaffected;

(i) **Waiver of the Section 552(b) Exception is Appropriate and Commonplace:** The Waiver of Section 552(b) is a common and appropriate practice in DIP financing, especially when the DIP Lender agrees to subordinate their liens and claims. This limited waiver is necessary to compensate lenders for the additional risks they incur by priming prepetition liens, and Inmarsat's objection to it is legally incorrect;

(ii) **Waiver of the Section 506(c) is Appropriate and Commonplace:** The ability to surcharge collateral under section 506(c) is within the Debtor's business judgement and aligns with established precedent, where courts routinely approve such waiver in negotiated compromises involving the use of cash collateral and debtor-in-possession financing. Inmarsat's objection to this waiver is unfounded and should be denied;

(iii) **Inmarsat Has No Standing to Challenge the Waiver of Marshaling:** Inmarsat has no standing to challenge the waiver of marshalling, as the doctrine of marshalling benefits only junior secured creditors, and unsecured creditors cannot invoke it. Additionally, waivers of marshaling are commonly accepted as part of negotiated agreements involving lien subordination and the use of cash collateral; and

(iv) **Liens on Avoidance Action Proceeds Are Appropriate and Necessary:** Inmarsat's objection to granting liens on the proceeds of avoidance actions is unfounded, as such liens are intended to maximize the estate's value for all

creditors and are permitted under the Bankruptcy Code. Liens on avoidance action proceeds are common in DIP financing and serve as incentives to attract postpetition credit, benefiting the debtors and facilitating the financing process;

(c) **The Challenge Period is Standard, and Inmarsat Fails to Articulate Any Reason Why it is Necessary to Extend Such Period in These Cases**: The 75-day challenge period aligns with industry standards. Inmarsat has not identified a specific reason as to why a longer challenge period would be needed; and

(d) **Inmarsat's Request for a Substantial Contribution Claim is at Best Premature:** Inmarsat has not demonstrated that it has benefited the estate. This request is speculative in nature and should be denied.

46. Given the above responses, the Debtors requested the U.S. Court overrule Inmarsat's objection and approve the Final DIP Order.

47. On February 3, 2025, the Ad Hoc Cross-Holder Group responded to the Inmarsat objection in support of the Debtors' motion for approval of the Final DIP Order. The Ad Hoc Cross-Holder Group presented the following key points:

(a) **Inmarsat Motives:** The Ad Hoc Cross-Holder Group criticizes Inmarsat's portrayal of itself as an estate protector, arguing that Inmarsat is an industry participant with an interest in derailing the financing to benefit itself. It claims Inmarsat's opposition is driven by competitive and commercial interests rather than a concern for the estate;

(b) **Inmarsat Prior Behaviour:** The Ad Hoc Cross-Holder Group highlights that Inmarsat's actions before the Chapter 11 filing, particularly its refusal to engage constructively on key agreements, contributed to the need for the DIP Facility;

(c) **Restructuring Agreement:** An RSA was reached, supported by key stakeholders, to deleverage Ligado's balance sheet. This includes a long-term transaction with a competitor of Inmarsat, AST, which could provide payments to Inmarsat under a prior agreement. Inmarsat, however, is attempting to disrupt this process;

(d) **The Role of the Ad Hoc Cross-Holder Group:** This group is positioned as a primary stakeholder, holding significant interests across the capital structure, and is the largest

junior stakeholder. It rejects Inmarsat's accusations that it would exploit junior creditors in the DIP Facility, asserting it has no such incentive;

(e) **DIP Facility Terms:** The DIP Facility is seen as part of a balanced, integrated transaction, with terms designed to maximize the estate's value and supported by a broad consensus. Inmarsat's objections to the facility, including fees and roll-up provisions, are argued to be misguided;

(f) **Past Final Support:** The Ad Hoc Cross-Holder Group provided crucial emergency financing (FLFO Loans) between 2022 and 2024 to prevent liquidation, and now the DIP Facility is the only viable option for funding going forward; and

(g) **Inmarsat Recovery:** The DIP Facility is positioned as the only financing route that can provide recovery for Inmarsat, as it supports the transaction with AST and the prosecution of a lawsuit against the U.S. government. Inmarsat's objections are viewed as self-interested and likely to harm its own recovery prospects.

48. Given the above arguments, the Ad Hoc Cross-Holder Group requested the U.S. Court overrule Inmarsat's objection and approve the Final DIP Order, arguing that it is the best available path for maximizing value for all stakeholders, including Inmarsat.

49. On February 3, 2025, the Ad Hoc First Lien Group also responded to the Inmarsat objection in support of the Debtors' motion for approval of the Final DIP Order. The Ad Hoc First Lien Group presented the following key points:

(a) **Support for the DIP Facility:** The Ad Hoc First Lien Group fully supports approval of the DIP Facility and the relief sought in the Final DIP Order. They emphasize that the DIP Facility is essential to Ligado's plan for a value-maximizing transaction, which includes paying all allowed general unsecured creditors in full. The Ad Hoc First Lien Group joins in the Debtors' reply to Inmarsat's objection;

(b) **Broad Consensus:** The Ad Hoc First Lien Group highlights the broad consensus among key stakeholders, including large ad hoc groups of both first lien and cross-holders. Despite differing economic interests, stakeholders have reached a consensual path that maximizes recoveries for all parties;

(c) **Cooperative Dynamics:** The DIP Facility continues the collaborative approach among creditors. It is structured to be in-kind (PIK Interest), meaning no cash is required. This helps maintain fairness and ensures that the inter-creditor agreement remains intact. The PIK Interest is seen as necessary due to the Debtors' financial position, which does not yet yield consistent, significant revenue;

(d) **Risks of Denial:** Denying the DIP Motion and terminating the RSA would undermine the carefully negotiated agreements, including the full repayment of general unsecured creditors. The Ad Hoc First Lien Group stresses the importance of preserving the balance created by the RSA and inter-creditor agreements; and

(e) **Inmarsat's Motive:** The Ad Hoc First Lien Group points out that no other stakeholders, except Inmarsat, have objected to the DIP Facility. Inmarsat's objection is seen as motivated by a desire to gain control of Ligado's spectrum rights, rather than acting in the best interest of the Debtors' estates.

50. Given the above reasons and as the DIP Facility is essential for the Debtors' recovery and the success of the restructuring plan, the Ad Hoc First Lien Group requested that the U.S. Court overrule Inmarsat's objection and approve the Final DIP Order.

51. Following discussions with Inmarsat, Ligado made several amendments to the Final DIP Order to address certain issues raised by Inmarsat. The key amendments incorporated in the final form of the Final DIP Order include the following:

(a) "**DIP Liens**": The DIP Liens on any such proceeds or property received in connection with Avoidance Actions and DIP Collateral with respect thereto shall be limited to proceeds or property in an amount equal to the amount of DIP First Funding Loans plus DIP Delayed Draw Term Loans provided by the DIP Lenders under the DIP Facility (such limitation, the "**AA Proceeds Cap**"); provided that the AA Proceeds Cap shall not apply to DIP Liens on proceeds or property recovered in connection with any Avoidance Actions against Inmarsat. For the avoidance of doubt, none of the foregoing limitations shall apply to the DIP Lenders' rights with respect to the Takings Litigations, which rights are fully reserved and preserved;

(b) "**Challenge Deadline**": The timely filing of a motion by Inmarsat before the expiration of the Challenge Deadline seeking standing to prosecute any estate claims, which motion attaches a draft complaint setting forth the sufficiently legal and factual bases of such claims, shall toll the Challenge Deadline only as to Inmarsat and only as to any Challenge included in such draft complaint, until such motion is resolved;

(c) "**No Marshalling**": In the event of any action or proceeding by the DIP Agent to seek recovery from the DIP Collateral in satisfaction of the DIP Superpriority Claims, any proceeds of the DIP Collateral, excluding the proceeds of any Avoidance Actions against parties other than Inmarsat, that are received by the DIP Agent shall be first applied to the outstanding DIP Superpriority Claims prior to applying any proceeds of such Avoidance Actions against parties other than Inmarsat in satisfaction of such DIP Superpriority Claims. In addition, under the Chapter 11 plan or sale under section 363 of the Bankruptcy Code, the DIP Superpriority Claims shall be marshalled away from the proceeds of any Avoidance Actions against parties other than Inmarsat in favor of all other DIP Collateral until such other DIP Collateral is applied in satisfaction of the DIP Superpriority Claims; and

(d) "**Maturity Date**": Upon entry of the Confirmation Order, the Maturity Date Extension Period shall automatically be extended to the effective date of an Acceptable Plan, provided, that such automatic extension shall not extend after the Outside Date (as defined in the RSA). The Initial Stated Maturity Date shall be the date that is 160 days after the Petition Date. For the avoidance of doubt, absent the Confirmation Order extension above, the two-year maturity period remains.

52. On February 5, 2025, the U.S. Court approved and entered the Final DIP Order on consent without a formal hearing, thereby satisfying the Milestone for entrance of the Final DIP Order. A copy of the Final DIP Order is attached hereto as **Appendix "H".**

53. The Information Officer has reviewed the Final DIP Order, the terms of the DIP Loan Agreement, the DIP Declaration and other related materials. The Information Officer is of the view that recognition of the Final DIP Order is appropriate in the circumstances for the following reasons:

(a) the U.S. Court, who has proper primary jurisdiction over the Chapter 11 Cases, granted the Final DIP Order on consent without a formal hearing based on the evidence provided by Ligado noted above, and recognition by the Canadian Court furthers the principles of comity, cooperation and accommodation with foreign courts;

(b) the Final DIP Order is a critical component of the RSA, which provides for the restructuring of the Debtors to the benefit of their stakeholders generally, including Canadian stakeholders;

(c) the DIP Facility provides the Debtors with the funding necessary to continue operating in the ordinary course, and based on the evidence provided and as found by the U.S. Court, represents the best financing alternative available to the Debtors at this time, and therefore is in the best interests of the Debtors, their Estates, and all of their stakeholders;

(d) the entry of the Final DIP Order is in the best interests of the Debtor's estates, and is necessary, essential, and appropriate for the continued operation of the Debtors' businesses and the management and preservation of their assets and properties; and

(e) whereas a "roll-up" or pre-filing indebtedness would not be permitted in plenary proceedings under the CCAA, Canadian Courts have recognized and given effect to "roll-ups" in ancillary proceedings under Part IV of the CCAA where approved by the supervising court in the foreign proceeding.

Second Day Orders

54. As described in the Second Smith Affidavit, attached hereto (without Exhibits) as **Appendix "I"**, any party wishing to oppose the Second Day Orders was required to file their opposition with the U.S. Court by 4:00 p.m. prevailing Eastern Time on January 29, 2025. As stated in the Second Smith Affidavit, no opposition was filed in connection with the Debtor's motions for the following Second Day Orders:

(a) the Final Cash Management Order;

(b) the Final Insurance Order;

(c) the Final Tax Order;

(d) the Final Utilities Order; and

(e) the Final Wages Order.

55. Accordingly, on January 31, 2025, the U.S. Court entered the Final Tax Order related to the Interim Tax Order previously recognized by the Canadian Court on January 8, 2025, on consent without a formal hearing.

56. On February 3, 2025, the U.S. Court entered the remainder of the Second Day Orders related to the First Day Orders previously recognized by the Canadian Court on January 8, 2025, on consent without a formal hearing.

57. The Second Day Orders are summarized as follows:

(a) The Final Cash Management Order*, inter alia*, authorizes, but does not direct, the Debtors to: (i) continue operating the Cash Management System and honour prepetition obligations related thereto; (ii) continue to use the Bank Accounts in existence as of the Petition Date without the need to comply with certain guidelines relating to bank accounts set forth in the U.S. Trustee Guidelines; (iii) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (iv) use, in their present form, all checks and other Business Forms without reference to the Debtors' status as debtors in possession; and (v) pay the Bank Fees, including any fees that accrued before the Petition Date, and to otherwise perform their obligations under the documents governing the Bank Accounts - provided that in the case of each of (i) through (v), such action is taken in the ordinary course of business and consistent with prepetition practices. The Cash Management Banks are authorized, but not directed, to continue to maintain, service, and administer the Bank Accounts without interruption and in the ordinary course, and to pay any and all payments issued and drawn on the Bank Accounts after the Petition Date. Each Cash Management Bank is authorized to debit the Bank Accounts in the ordinary course of business for all checks and electronic payment requests, whether issued before or after the Petition Date, unless the Debtors specifically issue stop payment orders in accordance with the documents governing such Bank Accounts. The Debtors are also

authorized to continue engaging in Intercompany Transactions in the ordinary course of business, consistent with historical practice, subject to properly recording such Intercompany Transactions in the Debtors' books and records. The Final Cash Management Order incorporates the following key changes to the Interim Final Cash Management Order:

(i) The relief granted in the Final Order is extended to any new bank account opened, provided, that the Debtors open any new bank Account at a bank that has executed a Uniform Depository Agreement with the U.S. Trustee for the District of Delaware or at a bank that is willing to immediately execute such an agreement;

(ii) The continuation and maintenance of the Bank Accounts (including the Investment Account and the Ligado Networks Canadian Dollar Disbursement/Operating Account) is approved on an interim basis; provided that the Investment Account balance shall not exceed $10 million; and

(iii) The Debtors shall deposit into a UDA Bank any draws of their debtor-in-possession financing available pursuant to the Interim Order and any final order granting such relief.

Recognition of the Final Cash Management Order will ensure that the Canadian Debtors are able to continue to utilize the Cash Management System and engage in Intercompany Transactions in the ordinary course;

(b) The Final Insurance Order, *inter alia*, authorizes, but does not require, the Debtors to (i) continue to maintain and perform under the insurance policies and surety bond program and honour any premiums, deductibles, assessments, and other related amounts, and (ii) renew, revise, amend, supplement, or extend the existing insurance policies and surety bond program, as well as purchase new insurance coverage and surety bonds, in each case, in the ordinary course of their business and consistent with past practice to the extent that the Debtors determine that such action is in the best interest of their estates. The Debtors are also authorized, but not directed, to pay any and all premiums, fees, and other obligations related to the insurance policies and

surety bond program, the ordinary course of business, including those that (A) accrued and were unpaid as of the Petition Date; (B) were paid by the Debtors prepetition; (C) were incurred for prepetition periods but did not become due until after the Petition Date; or (D) were inadvertently not paid in the ordinary course of business prior to the Petition Date. The only substantive change to the Final Insurance Order is the proviso that this Final Order and Motion does not modify any terms of the Insurance Policies, affect the rights or obligations of the Debtors or Insurance Carriers, create new rights of action, limit coverage disputes, or waive any claims or rights of Insurance Carriers or third-party administrators. Recognition of the Final Insurance Order ensures that coverage from the insurance policies of the Canadian Debtors continues to ensure existing and future coverage remains in place in the best interest of their estates;

(c) The Final Tax Order, *inter alia*, authorizes, but does not direct, the Debtors to remit and pay, or use credits to offset, taxes and fees, including all taxes and fees subsequently determined upon audit or otherwise to be owed for periods prior to the Petition Date, in the ordinary course of business during the course of these cases, in the aggregate amount not to exceed $160,000, including all taxes and fees that (i) accrued and were unpaid as of the Petition Date; (ii) were paid by the Debtors prepetition, but such payment was lost or not otherwise received in full by the authorities; (iii) were incurred for prepetition periods but did not become due until after the Petition Date; or (iv) were inadvertently not paid in the ordinary course of business prior to the Petition Date. To the extent that the Debtors have overpaid any taxes or fees, the Debtors are authorized to seek a refund or credit on account of any such taxes or fees. No substantive changes were made to the Final Tax Order. Recognition of the Final Tax Order will enable the Canadian Debtors to continue collecting and remitting such taxes to and from the applicable taxing authorities in Canada;

(d) The Final Utilities Order, *inter alia*, (i) approves the proposed adequate assurance of payment for future utility services and the Adequate Assurance Procedures; and (ii) prohibits utility companies to alter, refuse, or discount services to the Debtors. The

utilities service providers to which the Final Utilities Order applies include utilities service providers located in Canada. No substantive changes were made to the Final Utilities Order. Recognition of the Final Utilities Order ensures continuous service for the Canadian Debtors and provides Canadian utilities service provides with certainty regarding payment for post-filing services through the use of a segregated account containing an adequate assurance deposit for the benefit of the utilities service providers during the Chapter 11 Cases; and

(e) The Final Wages Order, *inter alia*, authorized, but not directed, the Debtors to (i) pay and honour prepetition wages, salaries, reimbursable expenses, and other obligations on account of the compensation and benefits programs; (ii) maintain and continue to honour and pay amounts with respect to, the compensation and benefits programs, as such programs were in effect prior to the Petition Date; and (iii) modify, amend, or supplement the Debtor's compensation and benefits programs from time to time, in the ordinary course of the business. The Debtors are authorized, but not directed, to pay all prepetition amounts associated with the compensation and benefits programs. The only substantive change to the Final Wages Order is the proviso that this Final Order and Motion does not modify any terms of the Workers' Compensation Program, affect the rights or obligations of the Debtors or insurers, create new rights of action, limit coverage disputes, or waive any claims or rights of insurers or third-party administrators. Recognition of the Final Wages Order will support the Canadian Debtors' authority to process compensation, deductions, and benefits for its approximately thirty-one employees in Canada without interruption.

58. Copies of such Second Day Orders are attached hereto as **Appendix "J" to "N".**

Recommendation Regarding Recognition of the Second Day Orders

59. The Information Officer has reviewed the Second Day Orders, and is supportive of the Foreign Representative's request for recognition of the Orders pursuant to the proposed Second Supplemental Order given, among other things, that:

(a) Canadian and U.S. stakeholders are treated in the same manner under each of the Second Day Orders for which recognition is sought;

(b) the granting of the Second Supplemental Order would be consistent with the principles of comity and facilitate the efficient coordination and accommodation of the Chapter 11 Cases and these Recognition Proceedings;

(c) the Second Day Orders noted above for which recognition is sought are primarily procedural or administrative in nature, commonplace in the context of complex chapter 11 proceedings, and generally consistent with the forms of such orders frequently recognized by Canadian Courts in large cross-border insolvency proceedings;

(d) the Second Day Orders noted above are necessary to allow the Canadian Debtors to operate in the ordinary course while the Debtors as a whole look to advance their restructuring plan in the Chapter 11 Cases which is anticipated to result in continued employment for the Debtors' Canadian employees;

(e) the Second Day Orders, excluding the Break-Up Compensation Order and Final DIP Order objections in the prior sections of this First Report, were unopposed and supported by the Debtors' key stakeholders, including the DIP Lenders; and

(f) the Information Officer is not aware of any objection having been filed in the Chapter 11 Cases by a Canadian stakeholder in respect of the Second Day Orders for which Recognition is sought.

RECEIPTS AND DISBURSEMENTS FOR THE CANADIAN DEBTORS FOR THE 4-WEEK PERIOD ENDED FEBRUARY 2, 2025

60. The Canadian Debtors actual net cash flow for the period from January 6 to February 2, 2025 was approximately $151 thousand better than the January Cash Flow Forecast as summarized below:

Weeks Ending (Cumulative) Week 1 - Week 4 *US$ 000s*	Forecast	Actual	Variance
Receipts	**$ 80.0**	**$ 102.3**	**$ 22.3**
Disbursements			
Operating Disbursements			
Employee Related	$ 178.4	$ 130.5	$ 47.8
Network	$ 111.6	$ 43.2	$ 68.4
General & Administrative	$ 25.2	$ 13.0	$ 12.1
Total Operating Disbursements	**$ 315.1**	**$ 186.8**	**$ 128.4**
Operating Cash Flows	**$ (235.1)**	**$ (84.5)**	**$ 150.7**
Professional Fees	$ -	$ -	$ -
Net Cash Flows	**$ (235.1)**	**$ (84.5)**	**$ 150.7**
Opening Cash Balance	**$ 685.8**	**$ 685.8**	**$ (0.0)**
Net Cash Flow	$ (235.1)	$ (84.5)	$ 150.7
Net Transfer from Ligado Networks	$ 569.4	$ -	$ (569.4)
Ending Cash Balance	**$ 1,020.0**	**$ 601.3**	**$ (418.7)**

61. The variances in actual receipts and disbursements as compared to the January Cash Flow Forecast represent timing variances that are expected to reverse in future periods.

62. The Actual Ending Cash Balance of approximately $601 thousand is approximately $418 thousand lower than forecast due to the forecast Transfers from Ligado Networks of approximately $569 thousand not being made and partially offset by the positive $151 thousand net cash inflow variance. The variance in Transfers from Ligado Networks represents a timing variance that is expected to reverse in future periods.

13-WEEK CASH FLOW FORECAST

Proposed Second DIP Budget Dated for the Consolidated Debtors for the 13-Week Period Ending May 4, 2025

63. Ligado has provided the Proposed Second DIP Budget, attached hereto at **Appendix "O"**, to the DIP Lenders[3] for approval, reflecting the projected cash requirements of the Debtors on a consolidated basis for the 13-week period ending May 4, 2025. As demonstrated in the February Cash Flow Forecast (as defined below) for the Canadian Debtors presented herein, the Canadian Debtors will require approximately $3.6 million of liquidity from the U.S. Debtors to support their operations during the period noted assuming ending cash is managed to a minimum balance of $1 million.

Cash Flow Forecast for the Canadian Debtors for the 13-Week Period Ending May 4, 2025

64. The Debtors, with the assistance of FTI U.S. and the Information Officer, have prepared a February Cash Flow Forecast of the receipts and disbursements of the Canadian Debtors for purposes of these Recognition Proceedings only. The February Cash Flow Forecast was compiled to isolate the cash flows of the Canadian Debtors from the consolidated Proposed Second DIP Budget, further inform the Canadian Court of the business and operations of the Canadian Debtors within Canada and provide additional information to assist the Canadian Court with its consideration of the relief requested by the Foreign Representative on behalf of the Debtors. The February Cash Flow Forecast is not to be used for any other purpose and is not subject to testing or any conditions contained within the DIP Facility.

65. The February Cash Flow Forecast, together with the notes thereto, is attached hereto as **Appendix "P".** The February Cash Flow Forecast is summarized as follows:

[3] The Proposed Second DIP Budget remains subject to DIP Lender approval.

US$ 000s	13-Week Period Ending May 4, 2025
	Total
Receipts	**$ 260.3**
Disbursements	
Operating Disbursements	
Employee Related	$ 1,408.8
Network	$ 400.0
General & Administrative	$ 150.7
Total Operating Disbursements	**$ 1,959.5**
Operating Cash Flows	**$ (1,699.1)**
Professional Fees	$ 1,336.1
Net Cash Flows	**$ (3,035.2)**
Opening Cash Balance	**$ 601.3**
Net Cash Flow	$ (3,035.2)
Net Transfer from Ligado Networks	$ 3,558.2
Ending Cash Balance	**$ 1,124.3**

66. The February Cash Flow Forecast indicates that, during the 13-week cash flow period ending May 4, 2025, the Canadian Debtors are forecast to have net cash outflows from operating activities of approximately $1,699 thousand comprised of total receipts of approximately $260 thousand and total disbursements of approximately $1,959 thousand. Net of estimated professional fees for Canadian counsel to the Foreign Representative, and the Information Officer and its Counsel, of approximately $1,336 thousand, total net cash outflows during the period noted are forecast to be approximately $3,035 thousand.

67. Certain key assumptions have been revised for the purposes of the February Cash Flow Forecast relative to the January Cash Flow Forecast, summarized as follows:

    (a) Timing variances arising in the period to February 2, 2025, have been carried forward to the February Cash Flow Forecast; and

    (b) Forecast professional fee payment frequency has been updated to reflect expected timing of payments.

68. Consistent with the January Cash Flow Forecast, the February Cash Flow Forecast contemplates various transfers from the U.S. Debtors to the Canadian Debtors during the 13-

week period ending May 4, 2025, to satisfy the near-term liquidity requirements of the Canadian Debtors during the forecast period.

69. The Information Officer hereby reports to the Court as follows:

(a) The Information Officer has reviewed the February Cash Flow Forecast, prepared by Management for the purpose described in the notes to the February Cash Flow Forecast, using the probable and hypothetical assumptions set out therein;

(b) The review consisted of inquiries and discussions with Management and advisors to the Debtors, and analytical and substantive procedures and analysis. Since hypothetical assumptions need not be supported, the Information Officer's procedures with respect to the hypothetical assumptions were limited to evaluating whether they were consistent with the purpose of the February Cash Flow Forecast. The Information Officer has also reviewed the supporting information provided by Management and advisors to the Debtors for the probable assumptions, and the preparation and presentation of the February Cash Flow Forecast;

(c) Based on its review, and as at the date of this First Report, nothing has come to the attention of the Information Officer that causes it to believe that:

(i) The hypothetical assumptions are inconsistent with the purpose of the February Cash Flow Forecast;

(ii) The probable assumptions are not suitable, supported or consistent with the plans of the Debtors, or do not provide a reasonable basis for the February Cash Flow Forecast, given the hypothetical assumptions; or

(iii) The February Cash Flow Forecast does not reflect the hypothetical and probable assumptions;

(d) Since the February Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the forecast even if the hypothetical assumptions occur, and those variations may be material. Accordingly, the Information Officer expresses no assurance as to whether the February Cash Flow Forecast will be

achieved. The Information Officer also expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this First Report; and

(e) The February Cash Flow Forecast has been prepared solely for the purpose described in the notes thereto. The February Cash Flow Forecast should not be relied upon for any other purpose.

CONCLUSION

70. For the reasons set out in this First Report, the Information Officer is of the view that the relief requested by the Foreign Representative is appropriate in the circumstances.

71. Accordingly, the Information Officer respectfully recommends that the Foreign Representative's request for the Second Supplemental Order recognizing the Break-Up Compensation Order, the Final DIP Order, and the other Second Day Orders, as well as the Amended Supplemental Order approving the Break-Up Compensation Charge, be granted by the Canadian Court.

The Information Officer respectfully submits this First Report to the Court dated this 7th day of February, 2025.

FTI Consulting Canada Inc.
solely in its capacity as Information Officer
of the Debtors in these Recognition Proceedings,
and not in its personal or corporate capacity

Per: _____
Jim Robinson
Senior Managing Director

List of Appendices

Appendix A - "Pre-Filing Report of the Proposed Information Officer"

Court File No. CV-25-00734802-00CL

Ligado Networks LLC *et al*

PRE-FILING REPORT OF FTI CONSULTING CANADA INC. IN ITS CAPACITY AS PROPOSED INFORMATION OFFICER

January 14, 2025

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Court File No. CV-25-00734802-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C., 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF LIGADO NETWORKS LLC, LIGADO NETWORKS CORP., LIGADO NETWORKS HOLDINGS (CANADA) INC., LIGADO NETWORKS (CANADA) INC., ATC TECHNOLOGIES, LLC, LIGADO NETWORKS INC. OF VIRGINIA, ONE DOT SIX LLC, ONE DOT SIX TVCC LLC, LIGADO NEWORKS SUBSIDIARY LLC, LIGADO NETWORKS FINANCE LLC, AND LIGADO NETWORKS BUILD LLC

APPLICATION OF LIGADO NETWORKS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C., 1985, c. C-36, AS AMENDED

PRE-FILING REPORT OF FTI CONSULTING CANADA INC. IN ITS CAPACITY AS PROPOSED INFORMATION OFFICER

INTRODUCTION

1. On January 5, 2025 (the "**Petition Date**"), Ligado Networks LLC ("**Ligado**") and certain of its affiliates (collectively, the "**Debtors**"), including Ligado Networks Corp. ("**Networks Corp.**"), Ligado Networks Holdings (Canada) Inc. ("**Holdings**") and Ligado Networks (Canada) Inc. ("**Networks Inc.**", and collectively with Networks Corp. and Holdings, the "**Canadian Debtors**"), filed voluntary petitions for relief (collectively, the "**Petitions**" and each a "**Petition**") in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") under chapter 11 of title 11 of the United States Code (the "**U.S. Bankruptcy Code**"). The proceedings before the U.S. Court commenced by the Petitions are hereinafter referred to as the "**Chapter 11 Cases**".

2. The purpose of the Chapter 11 Cases and the proposed Canadian recognition proceedings (the "**Recognition Proceedings**") is to provide a stabilized environment for the Debtors to continue to operate in the normal course while they implement an orderly restructuring for the benefit of all stakeholders, which is contemplated to include execution of definitive

documentation for and consummation of a long-term commercial transaction with the support of key stakeholders as documented in the RSA (as defined below) and pursuit of the Debtors' rights and compensation as applicable against certain branches of the U.S. Government (as defined below, and with reference to the Debtors' legal action against the U.S. Government, the "**Takings Litigation**") and Inmarsat Global Limited ("**Inmarsat**") as a counterparty to the Cooperation Agreement (as defined below) with the Debtors. Development of the Debtors' technology and commercial ecosystem to fully deploy their spectrum assets is also contemplated to continue in parallel.

3. On January 14, 2025, Ligado in its capacity as the proposed foreign representative of the Debtors (the "**Foreign Representative**") in respect of the Chapter 11 Cases filed an application under the Part IV of the *Companies' Creditors Arrangement Act, R.S.C., 1985, c. C-36,* as amended (the "**CCAA**") with the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") seeking the following relief:

   (a) an initial recognition order (the "**Initial Recognition Order**") recognizing the Chapter 11 Cases and granting, *inter alia*, a stay of proceedings against the Debtors; and

   (b) a supplemental order (the "**Supplemental Order**"), as described later in this Report, granting various relief including the recognition of certain First Day Orders (defined below) issued in the Chapter 11 Cases and the appointment of FTI Consulting Canada Inc. ("**FTI Canada**") as information officer (in such capacity, the "**Information Officer**").

4. Several first day motions filed by the Debtors in the Chapter 11 Cases (collectively, the "**First Day Motions**") for various orders (collectively, the "**First Day Orders**") were heard before the U.S. Court on January 7, 2025 (the "**First Day Hearing**"). Following the First Day Hearing, the U.S. Court granted the First Day Orders. The Foreign Representative is seeking recognition of the following First Day Orders pursuant to Part IV of CCAA:

   (a) *Order Authorizing Ligado Networks LLC to Act as Foreign Representative Pursuant to 11 U.S.C. §1505* (the "**Foreign Representative Order**");

   (b) *Interim Order (i) Authorizing the Debtors to (a) Continue to Operate their Cash Management System and Maintain Existing Bank Accounts, (b) Utilize their Credit*

Cards, and (c) Engage in Intercompany Transactions, (ii) Granting a Waiver of the Requirements of Section 345(b) of the U.S. Bankruptcy Code and U.S. Trustee Guidelines, and (iii) Granting Related Relief (the "**Interim Cash Management Order**");

(c) *Order (i) Directing Joint Administration of Chapter 11 Cases and (ii) Granting Related Relief* (the "**Joint Administration Order**");

(d) *Interim Order (i) Authorizing the Debtors to (a) Maintain Insurance Policies and Surety Bond Program and Honor Obligations Thereunder, and (b) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies and Surety Bonds, and (ii) Granting Related Relief* (the "**Interim Insurance Order**");

(e) *Interim Order (i) Authorizing the Payment of Certain Taxes and Fees and (ii) Granting Related Relief* (the "**Interim Tax Order**");

(f) *Interim Order (i) Approving the Proposed Adequate Assurance of Payment for Future Utility Services and Related Procedures, (ii) Prohibiting Utility Companies to Alter, Refuse, or Discontinue Services, and (iii) Granting Related Relief* (the "**Interim Utilities Order**");

(g) *Interim Order (i) Authorizing the Debtors to (a) Satisfy Prepetition Obligations on Account of Compensation and Benefits Programs and (b) Continue Compensation and Benefits Programs, and (ii) Granting Related Relief* (the "**Interim Wages Order**");

(h) *Order (i) Authorizing and Approving the Appointment of Omni Agent Solutions, Inc. as Claims and Noticing Agent and (ii) Granting Related Relief* (the "**Omni Retention Order**");

(i) *Order (i) Authorizing the Debtors to Redact Certain Personal Identification Information and (ii) Granting Related Relief* (the "**Personal Information Redaction Order**"); and

(j) *Interim Order (i) Authorizing the Debtors to (a) Obtain Postpetition Financing and (b) Use Cash Collateral; (ii) Granting Liens and Superpriority Administrative Expense Claims; (iii) Granting Adequate Protection; (iv) Modifying the Automatic Stay; (v)*

Scheduling a Final Hearing; and (vi) Granting Related Relief (the "**Interim DIP Order**").

5. This report (the "**Pre-Filing Report**") has been filed by FTI Canada as the proposed information officer (in such capacity, the "**Proposed Information Officer**") in these Recognition Proceedings to inform the Canadian Court on the following with respect to the relief sought by the Foreign Representative during the hearing scheduled for January 16, 2025 (the "**Initial Recognition Hearing**"):

   (a) the qualifications of FTI Canada to act as Information Officer and an overview of the involvement of FTI Canada and its affiliates with the Debtors to date;

   (b) certain background information regarding the Debtors and their business, including the Canadian Debtors, a financial overview of the Debtors and their capital structure, employee matters, and other relevant information;

   (c) the Proposed Information Officer's views in relation to the Initial Recognition Order with respect to recognition of the Chapter 11 Cases as "foreign main proceedings" in respect of the Debtors, and Ligado as the "foreign representative", as such terms are defined in section 45 of the CCAA;

   (d) an overview of the proposed restructuring process, including the following:
      i. a synopsis of events leading up to the Petition Date;
      ii. the restructuring support agreement dated January 5, 2025 (the "**RSA**");
      iii. a senior secured postpetition financing facility (the "**DIP Facility**"); and
      iv. an overview of the AST Transaction (as defined below);

   (e) the results of the security review completed by Stikeman Elliott LLP as legal counsel to the Proposed Information Officer (the "**Proposed Information Officer's Counsel**");

   (f) the cash flow forecast for the Canadian Debtors for the 13-week period ending April 4, 2025;

   (g) the Debtors' cash management system and intercompany transactions;

(h) the Proposed Information Officer's views regarding the Foreign Representative's application for the Supplemental Order, including among other things:

i. recognizing certain of the First Day Orders;

ii. granting a charge on the Canadian Debtors' property in Canada in favour of Canadian counsel to the Foreign Representative and the Canadian Debtors, the Information Officer, and counsel to the Information Officer, up to a maximum amount of CAD$750,000 (the "**Administration Charge**"), as security for their respective professional fees and disbursements incurred in respect of these Recognition Proceedings both before and after the date of the proposed Supplemental Order;

iii. granting a charge on the Canadian Debtors' property in Canada in favour of the DIP Lenders (defined below) to secure the debtor-in-possession ("**DIP**") financing obligations outstanding from time to time pursuant to the DIP Loan Agreement (defined below); and

(i) the activities of the Proposed Information Officer to date.

TERMS OF REFERENCE

6. In preparing this Pre-Filing Report, the Proposed Information Officer has relied upon unaudited financial information prepared by the Debtors and their representatives, the Debtors' books and records, and discussions with Canadian counsel to the Foreign Representative and the Canadian Debtors (collectively, the "**Information**").

7. Except as described in this Pre-Filing Report:

(a) the Proposed Information Officer has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants of Canada Handbook* (the "**Handbook**") and, accordingly, the Proposed Information Officer expresses no opinion or other form of assurance in respect of the Information; and

(b) the Proposed Information Officer has not examined or reviewed forecasts and projections referred to in this Pre-Filing Report in a manner that would comply with the procedures described in the Handbook.

8. Future oriented financial information reported in or relied on in preparing this Pre-Filing Report is based on the assumptions and estimates of the Debtors' management. Actual results may vary from such Information and these variations may be material.

9. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars. Capitalized terms used but not defined herein have the meanings ascribed to them in the Declaration of Douglas Smith, Chief Executive Officer of Ligado, in support of the Petitions and the First Day Motions (the "**Smith Declaration**") attached hereto (without Exhibits) as **Appendix "A"**, or the Affidavit of Douglas Smith sworn January 14, 2025 (the "**Smith Affidavit**") attached hereto (without Exhibits) as **Appendix "B"**.

FTI CANADA'S QUALIFICATIONS TO ACT AS INFORMATION OFFICER AND ITS AFFILIATES

Qualifications to Act

10. FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended. FTI Canada has consented to act as the Information Officer if the Canadian Court grants the Initial Recognition Order and the Supplemental Order sought by the Foreign Representative. A copy of FTI Canada's consent to act is attached hereto as **Appendix "C"**.

11. FTI Canada personnel are familiar with the business and operations of the Debtors, including the Canadian Debtors, and the key issues and stakeholders in these Recognition Proceedings. Further, FTI Canada has substantial experience in domestic and cross-border restructuring proceedings under the CCAA, including acting as the court-appointed information officer in other complex mandates.

12. FTI Canada has searched its global conflicts database in accordance with its usual practice and internal policies. FTI Canada is not aware of any conflict of interest that would prevent it from acting as the Information Officer in these Recognition Proceedings.

Involvement to Date of FTI Canada and its Affiliates

13. FTI Consulting, Inc. ("**FTI U.S.**"), FTI Canada's U.S. parent company, was engaged as financial advisor to the Debtors pursuant to an engagement letter dated June 22, 2022 (the "**FTI Engagement Letter**") and has been active in providing assistance and advice to the Debtors since that time. FTI's role has been to provide financial, strategic and restructuring advice, including assisting the Debtors in preparing for the filing of the Chapter 11 Cases and these Recognition Proceedings. Since December 18, 2024, FTI Canada personnel supported the FTI U.S. team, assisting in the delivery of Canadian restructuring expertise and advice as required and, in particular, with respect to the business and operations of the Canadian Debtors.

14. Neither FTI Canada nor FTI U.S. have provided any accounting or auditing services to the Debtors. Fees payable to FTI Canada and FTI U.S. pursuant to the FTI Engagement Letter are determined on an hourly basis. No success or incentive-based compensation is payable under the FTI Engagement Letter.

BACKGROUND INFORMATION ON DEBTORS

15. A detailed description of the Debtors, including the Canadian Debtors, their businesses, corporate structure, prepetition capital structure and indebtedness, and the events preceding the Chapter 11 Cases and these Recognition Proceedings is provided in the Smith Declaration and Smith Affidavit. Certain of such information is summarized below.

Overview of the Debtors and Their Business

16. The Debtors are a mobile communications company that operates a satellite network across North America providing mobile satellite services ("**MSS**") to government and commercial customers for over 25 years. Ligado's strategy is to evolve its existing satellite services to integrate with terrestrial networks and communicate directly with mobile phones by developing solutions for 5th generation public and private networks using licensed and leased spectrum in the "L-Band" – an attractive lower mid-band in the one- to two-gigahertz spectrum category.

17. Ligado is licensed by the United States Federal Communications Commission ("**FCC**") and Innovation, Science & Economic Development Canada ("**ISED**") as a MSS operator in the L-Band in the United States and Canadian parts of the International Telecommunication Union Region 2. In total, Ligado maintains access to over 35 megahertz of MSS spectrum in the United States and Canada.

18. In the United States, the debtors operate the SkyTerra-1 satellite. In Canada, the Debtors are authorized to provide service using the SkyTerra-1 satellite, and in addition, ISED has authorized the Debtors in principle to operate the SkyTerra-2 satellite which is constructed and stored in preparation for launch into a Canadian orbital location.

19. Ligado's common equity is privately held by certain investment funds or vehicles. Ligado also has five series of preferred equity held by approximately 40 various investment funds or vehicles, including certain holders of the common equity.

20. Ligado owns, directly or indirectly, ten entities – each of which is a Debtor in the Chapter 11 Cases, including seven U.S.-domiciled Debtors (the "**U.S. Debtors**") and three Canadian Debtors. With respect to the Canadian Debtors, Networks Corp. and Networks Inc. are wholly-owned subsidiaries of Ligado while Networks Inc. is directly and indirectly owned by Ligado via Holdings. The organizational chart for Ligado, excerpted from the Smith Affidavit, is attached hereto as **Appendix "D"**.

21. Networks Corp. is the sole operating entity in Canada and operates from four locations, which include: i) a regional Canadian office and satellite gateway ground station located in Ottawa, Ontario; ii) a satellite gateway ground station located in Saskatoon, Saskatchewan; iii) a spectrum management site ("**SCMS**") in St. John's, Newfoundland; and, iv) a SCMS in Whitehorse, Yukon. Networks Inc. and Networks Corp. hold the Canadian spectrum and regulatory licenses on behalf of the Debtors, and Holdings is an inactive holding company without books or records.

Financial Overview

22. Standalone financial statements are not prepared on behalf of the Canadian Debtors in relation to the Canadian Debtors' business in Canada. Rather, financial statements for the Debtors are prepared quarterly on a consolidated basis. For the most recent compiled quarter

ended September 30, 2024, on a consolidated basis, the Debtors had approximately $2.6 billion in total assets and approximately $8.7 billion in total liabilities. For the nine-month period ended September 30, 2024, with total revenues of approximately $7 million and operating expenses of $292 million, the Debtors experienced an operating loss of approximately $285 million on a consolidated basis. Attached hereto as **Appendix "E"** is a copy of the financial statements for the third quarter ended September 30, 2024.

23. As of November 30, 2024, by book value and based on unaudited internal financial statements, the Canadian Debtors had total assets of approximately $6 million (excluding intercompany receivables), and total liabilities of approximately $6 million (excluding intercompany payables), of which approximately $1 million were current liabilities. These figures exclude the Canadian Debtors' contingent obligations as a guarantor of the obligations under the Prepetition First Lien Notes, the Prepetition First Lien Loan Facility, the Prepetition 1.5 Lien Loan Facility, and the Prepetition Second Lien Notes (each as defined below). For the nine-month period ended September 30, 2024, with total revenues of approximately $2 million and operating expenses of approximately $9 million, the Canadian Debtors experienced an operating loss of approximately $7 million.

24. The Canadian Debtors are reliant on Ligado and the other U.S. Debtors financially to fund the Canadian Debtors' operations. To date, the Canadian Debtors have been financially supported by Ligado by way of the Intercompany Transactions (as defined below).

Capital Structure Overview

25. As set out in the Smith Declaration, the Debtors' capital structure can be summarized as follows:

Obligation	Maturity / Redemption	Approximate Principal Amount Outstanding / Liquidation Preference (Amounts stated in millions)
Funded Debt Obligations		
Prepetition First Out Term Loans	November 1, 2023[1]	$319.5
Prepetition First Lien Notes	November 1, 2023	$5,491.8
Prepetition First Lien Senior Pari Term Loans	November 1, 2023	$122.3
Prepetition 1.5 Lien Facility	February 2, 2024	$591.5
Prepetition Second Lien Notes	May 1, 2024	$2,050.0
Preferred Equity		
Series A-0 Preferred Units	N/A	$6,230.7
Series A-1 Preferred Units	N/A	$1,672.8
Series A-2 Preferred Units	N/A	$326.9
Series B Preferred Units	N/A	$294.1
Series C Preferred Units	N/A	$658.1
Common Equity		
Series A Common Units	N/A	N/A
Series B Common Units	N/A	N/A

Funded Debt Obligations

26. As of the Petition Date, the Debtors' capital structure included approximately $8.6 billion in funded debt obligations, which can be summarized as follows:

(a) Prepetition First Lien Notes: Ligado originally issued $2.85 billion aggregate principal amount of 15.5% PIK Senior Secured First Lien Notes due 2023 at an issue price of 100% of par value (the "**Prepetition First Lien Notes**") pursuant to a certain Indenture dated October 23, 2020 (collectively, as amended, restated, amended and restated, or otherwise modified, the "**Prepetition First Lien Indenture**"). U.S. Bank National Association is the trustee and collateral trustee for the Prepetition First Lien Notes. Until November 1, 2023, the Prepetition First Lien Notes carried interest at a rate of 15.5% per annum payable in kind. Under a

[1] All loans issued after this date pursuant to the Prepetition First Out Term Loans are payable on demand.

forbearance agreement with more than a majority of the outstanding principal amount of the Prepetition First Lien Notes dated October 20, 2023, which forbearance date was further extended to the earlier of February 7, 2025, or seven days following the extended date for deferred payments as set forth in the Cooperation Agreement (as defined below), the Debtors paid interest at the default rate of 17.5% per annum payable in kind starting from November 1, 2023. The Prepetition First Lien Notes are guaranteed by Ligado's subsidiaries (including the Canadian Debtors) and secured by first-priority liens on and security interests in substantially all the Debtors' assets excluding certain "excluded property" (the "**Prepetition Collateral**"). As of the Petition Date, an aggregate amount of approximately $5.5 billion was outstanding under the Prepetition First Lien Notes.

(b) Prepetition First Lien Loan Facility: Ligado is the borrower under a certain First Lien Loan Agreement dated December 23, 2022 (collectively, as amended, restated, amended and restated, or otherwise modified, the "**Prepetition First Lien Loan Agreement**" and the facility made available thereunder, the "**Prepetition First Lien Loan Facility**" and collectively with the Prepetition First Lien Notes, the "**Prepetition First Lien Debt**") that provides for up to (i) $122.3 million in term loans secured on a *pari passu* basis with the Prepetition First Lien Notes (the "**Prepetition First Lien Senior Pari Term Loans**"), and (ii) $319.5 million in term loans that are secured on a *pari passu* basis with the Prepetition First Lien Notes but are "first out" in payment priority under a certain intercreditor agreement (the "**Prepetition First Out Term Loans**"). U.S. Bank Trust Company, National Association is the administrative agent and collateral agent for the Prepetition First Lien Loan Facility. Until November 1, 2023, in respect of the Prepetition First Lien Loan Facility, Ligado paid interest at a rate of 15.5% per annum payable in kind. Under a forbearance agreement dated October 20, 2023, which forbearance date was further extended to the earlier of February 7, 2025, or seven days following the extended date for deferred payments as set forth in the Cooperation Agreement, the Debtors paid interest at the default rate of 17.5% per annum payable in kind starting from November 1, 2023. The Prepetition First Lien Loan Facility is guaranteed by Ligado's subsidiaries (including the Canadian Debtors) on a *pari passu* basis with

the Prepetition First Lien Notes and secured by first-priority liens on and security interests in the Prepetition Collateral on a *pari passu* basis with the Prepetition First Lien Notes. As of the Petition Date, an aggregate amount of approximately $441.8 million was outstanding under the Prepetition First Lien Loan Facility.

(c) Prepetition 1.5 Lien Facility: Ligado is the borrower under a certain 1.5 Lien Loan Agreement dated May 27, 2020 (collectively, as amended, restated, amended and restated, or otherwise modified, the "**Prepetition 1.5 Lien Loan Agreement**", and the facility made available thereunder, the "**Prepetition 1.5 Lien Loan Facility**"). Jefferies Finance LLC is the administrative agent and U.S. Bank Trust Company, National Association is the successor collateral agent for the Prepetition 1.5 Lien Facility. Under the Prepetition 1.5 Lien Facility, borrowings accrued interest at the greater of (i) SOFR and (ii) 1.00% plus the applicable margin (20.0% plus 15 bps) until the maturity date of May 1, 2024. Under a forbearance agreement dated January 19, 2024, Ligado pays interest as described above plus 2.00% to account for the default interest rate. The Prepetition 1.5 Lien Facility is guaranteed by Ligado's subsidiaries (including the Canadian Debtors) on a 1.5 priority basis and secured by 1.5-priority liens on and security interests in the Prepetition Collateral. As of the Petition Date, an aggregate amount of approximately $591.5 million was outstanding under the Prepetition 1.5 Lien Facility.

(d) Prepetition Second Lien Notes: Ligado originally issued $1.0 billion aggregate principal amount of 17.5% PIK Senior Secured Second Lien Notes due 2024 at an issue price of 75% of par value (the "**Prepetition Second Lien Notes**", and together with the Prepetition First Lien Debt and the Prepetition 1.5 Lien Loan Facility, the "**Prepetition Secured Debt**") pursuant to a certain Indenture dated October 23, 2020 (collectively, as amended, restated, amended and restated, or otherwise modified, the "**Prepetition Second Lien Indenture**"). U.S. Bank National Association is the trustee and collateral trustee for the Prepetition Second Lien Notes. Until May 1, 2024, the Prepetition Second Lien Notes carried interest at a rate of 17.5% per annum payable in kind. Under a forbearance agreement dated January 19, 2024, which forbearance date was further extended to the earlier of February 7, 2025, or seven days following the extended date for deferred payments

as set forth in the Cooperation Agreement, the Debtors paid interest at the default rate of 19.5% per annum payable in kind starting from May 1, 2024. The Prepetition Second Lien Notes are guaranteed on a second lien priority basis by Ligado's subsidiaries (including the Canadian Debtors) and secured by second-priority liens on and security interests in the Prepetition Collateral. As of the Petition Date, an aggregate amount of approximately $2.0 billion was outstanding under the Prepetition Second Lien Notes.

Membership Interests

27. As of the Petition Date, Ligado had 100,000,000 issued and outstanding preferred units (out of 100,000,000 authorized), and 10,000,000 issued and outstanding common units (out of 20,000,000 authorized).

(a) **Series A-0 Preferred Units**: Ligado has issued 20,000,000 Series A-0 Preferred Units, which are entitled to distributions in accordance with the waterfall set forth in the Amended and Restated Operating Agreement dated October 23, 2020, and generally have priority over the Series A-1 and A-2 Preferred Units, Series B Preferred Units, and Series C Preferred Units.

(b) **Series A-1 and A-2 Preferred Units**: Ligado has issued 20,000,000 Series A-1 Preferred Units and 20,000,000 Series A-2 Preferred Units, which have a liquidation preference equal to approximately $1.6 billion and $326 million, respectively. The Series A-1 Preferred Units generally have priority over the Series A-2 Preferred Units, the Series B Preferred Units and the Series C Preferred Units; however, after a certain amount of distributions have been paid out to the Series A-0 Preferred Units and the Series A-1 Preferred Units, the Series A-1 Preferred Units and the Series A-2 Preferred Units share pro rata with the Series B Preferred Units and Series C Preferred Units – all based on their respective liquidation preferences.

(c) **Series B Preferred Units**: Ligado has issued 20,000,000 Series B Preferred Units with a liquidation preference of approximately $294 million. The Series B Preferred Units generally have priority over the Common Units.

(d) **Series C Preferred Units**: Ligado has issued 20,000,000 Series C Preferred Units with a liquidation preference of approximately $658 million. The Series C Preferred Units generally have priority over the Common Units.

(e) **Common Units**: Ligado has issued 9,700,000 Series A Common Units (out of 19,400,000 authorized) and 300,000 Series B Common Units (out of 600,000 authorized). The Series A Common Units rank pari passu with the Series B Common Units in liquidation and distributions, and both have certain limited voting rights. With respect to distributions of available cash and distributions upon liquidation, the Series A and B Common Units are subordinated to the Series A-0 Preferred Units, Series A-1 Preferred Units, Series A-2 Preferred Units, Series B Preferred Units and Series C Preferred Units.

Unsecured Debt Obligations

28. The Debtors do not have any unsecured funded debt obligations.

29. The Canadian Debtors do not have any funded debt obligations (other than their contingent obligations as guarantors of the Prepetition Secured Debt). As of the Petition Date, the Canadian Debtors had approximately $10 thousand of trade payables (unsecured) outstanding.

30. In the ordinary course, the Canadian Debtors incur trade debt with certain vendors and suppliers in connection with the operation of the Canadian business. These unsecured liabilities are incurred primarily to facilitate operations within Canada and typically include rent, utilities, sales and marketing, employee-related liabilities, and administrative expenses.

31. The Proposed Information Officer understands that the Debtors intend to continue to pay trade obligations as they come due.

Employees

32. The Debtors employ approximately eighty employees of which forty-nine employees are based in the United States and thirty-one employees are based in Canada. None of the employees are unionized. The Debtors supplement their workforce with consultants and independent contractors depending on their business needs.

33. The Canadian employees provide regional support to Ligado for operations, product management, sales and marketing, accounting and legal administrative support. There are neither core business functions nor members of Ligado's senior management ("**Management**") team located in Canada. As a result, the Canadian Debtors could not continue operations without the operational support provided by the U.S. Debtors and Management.

34. Canadian employees are paid on a bi-weekly basis, which accounts for amounts owing for the preceding two week pay period. As of the Petition Date, the Canadian Debtors were current on all payroll obligations and source deductions.

35. The Canadian employees are also eligible to participate in certain bonus programs. As of the Petition Date, there are no bonus amounts outstanding under the Transaction Commission Plan, the referral bonus program, the patent bonus program, and the annual bonus program (the "**Annual Bonus Program**"). The Annual Bonus Program, in which employees receive an annual target based on their salary, was modified for fiscal 2024 and is payable 50% quarterly with the remaining 50% payable upon consummation of a transaction. The Annual Bonus Program has been approved for fiscal 2025, and all quarterly payments owing for fiscal 2024 were made prepetition.

36. The Debtors maintain a number of benefits programs for the Canadian employees. The Canadian employees are automatically enrolled in the Canadian comprehensive benefits program with the Manufacturers Life Insurance Company (the "**Comprehensive Plan**"), which provides comprehensive benefits coverage for, among other things, dental, vision, physiotherapy, and other health benefits subject to certain annual service maximums. The Debtors pay 100% of the premiums for enrolled Canadian Employees. The Debtors also provide supplemental mental health services, life insurance, accidental death and dismemberment insurance and short- and long-term disability coverage to Canadian employees at no additional cost. Certain Canadian employees elect additional voluntary insurance coverage, which is paid for by participating employees. The Debtors estimate that there are no amounts outstanding with respect to the benefits programs for the Canadian employees and intend to honour these obligations in the normal course.

37. The Canadian Debtors also provide a registered defined contribution pension plan (the "**DC Plan**") whereby Canadian employees must contribute 5% of their earnings up to a certain limit with 6.5% of their earnings contributable in excess of the limit. The Canadian Debtors match the contributions on a dollar-for-dollar basis. The Debtors estimate that there are no amounts outstanding with respect to the DC Plan and intend to honour these obligations in the normal course.

38. In addition to the Comprehensive Plan and the DC Plan, Canadian employees also have access to virtual mental health services, insurance and disability benefits, workers' compensation insurance, paid leave benefits, and employee assistance programs (collectively, with the Comprehensive Plan and the DC Plan, the "**Canadian Benefits Programs**"). The Debtors estimate that there are no amounts outstanding with respect to Canadian Benefits Programs and were granted the requested relief in the Interim Wages Order to continue such plans in the ordinary course and pay costs in the normal course of business for both pre- and post-petition amounts.

CENTRE OF MAIN INTEREST

39. As set out in the Smith Affidavit, the Debtors primary operations and interests are located in the United States with Ligado's headquarters located in Reston, Virginia. While a majority of employees are located in the United States, effectively all of the Debtors' senior leadership, including the D&O's (except one Canadian director) and Management, are located in the United States, and Management exercises primary strategic decision making and control of Ligado and its subsidiaries from the United States. In addition, almost all of the Debtors' accounting services and all of its legal services are located in the United States.

40. The vast majority of the Debtors' business operates in the United States. For reference, the Canadian Debtors hold less than 1% of the Debtors' assets, and account for approximately 3% of Ligado's consolidated total expenses for fiscal 2024. The Canadian Debtors do account for approximately 19% of Ligado's consolidated revenue year-to-date; however, these revenues are primarily with cross-border customers that originated in the United States. As previously indicated, the Canadian Debtors are fully reliant financially on the U.S. Debtors to provide funding to continue operations within Canada.

41. In light of the foregoing and based on the evidence set out in the Smith Affidavit, the Proposed Information Officer is of the view that the Canadian Debtors' "centre of main interest" is in the United States, and that it is appropriate in the circumstances to recognize the Chapter 11 Cases as a "foreign main proceeding" and accordingly recognize Ligado's standing as the Foreign Representative for these Recognition Proceedings.

OVERVIEW OF THE PROPOSED RESTRUCTURING PROCESS

Background

42. Details of the events leading up to the commencement of the Chapter 11 Cases and these Recognition Proceedings are set forth in the Smith Declaration and the Smith Affidavit.

43. In summary, Ligado alleges in the Takings Litigation commenced on October 12, 2023, against certain organizations within the U.S. government, including the Department of Defense, the Department of Commerce, the National Telecommunications and Information Administration, and the United States Congress (collectively, the "**U.S. Government**"), that these governmental branches have unlawfully prevented the Debtors from using or otherwise operating within that portion of the spectrum that the FCC exclusively licensed to the Debtors for terrestrial communications services. Ligado claims these actions have prevented the Debtors' full use of their L-Band license, costing the Debtors significant time and billions of dollars in sunk costs and lost profits – resulting in the Debtors' inability to generate adequate cash flows from operations to fund their operating and capital expenditures.

44. The Debtors' business plan and capital structure is also premised on the benefits of a long-term cooperation agreement entered into in 2007 between Inmarsat, an entity acquired by Viasat Inc. ("**Viasat**") in May 2023, and the Debtors (the "**Cooperation Agreement**"), which coordinates the MSS L-Bank spectrum to provide the Debtors with sufficient contiguous spectrum blocks free from interference to help the Debtors' obtain the ability to provide mobile services to the North American market. Expiring on December 31, 2107, the Cooperation Agreement has been amended many times to address various regulatory, technological and spectrum coordination matters with the Debtors making payments to Inmarsat of more than $1.7 billion to date. Over the past year, the Debtors engaged in

extensive discussions with Viasat around a comprehensive resolution of the Cooperation Agreement to restructure the Debtors' significant payment obligations thereunder; however, after many amendments to the Cooperation Agreement including to further delay payments until January 13, 2025 (after application of the grace period), it became clear to the Debtors that a workable commercial resolution was not achievable when Viasat ultimately refused to provide additional payment extensions unless the Debtors made a substantial payment to Inmarsat for an extension despite knowing that the Debtors did not have sufficient liquidity to do so.

THE RESTRUCTURING SUPPORT AGREEMENT

Overview

45. Despite the inability to reach a commercial resolution with Viasat, the Debtors and their key stakeholders were able to negotiate:

    (a) a restructuring transaction to recapitalize the Debtors' balance sheet; and

    (b) a binding strategic collaboration term sheet with AST & Science, LLC ("**AST**") setting forth the terms of a long-term commercial transaction between the Debtors and AST (the "**AST Transaction**"), which culminated in the signing of the RSA.

46. Specifically, the RSA contemplates a restructuring of the Debtors through the following:

    (a) a prearranged Chapter 11 plan to be developed and approved in the Chapter 11 Cases, and recognized in these Recognition Proceedings;

    (b) the DIP Facility to provide the Debtors with the liquidity necessary to fund the Chapter 11 Cases;

    (c) equitization of all of the Debtors' prepetition funded indebtedness (except for debt that is repaid or rolled up through the DIP Facility);

    (d) retention of preferred and common equity interests and relative priority amongst current equity holders;

    (e) entry into the AST Transaction; and

(f) conversion of the DIP Facility into an exit facility upon the effective date of an acceptable plan pursuant to the DIP Facility.

47. The AST Transaction includes the provision to AST of certain usage rights for the Debtors' L-Band MSS spectrum in exchange for AST contributing certain AST common equity, warrants, convertible notes and/or cash to the Debtors, making certain annual usage-right payments to the Debtors, and paying a certain percentage of revenue derived from AST's use of the spectrum. The AST Transaction is outlined in further detail below.

48. The percentage level of support for the RSA by category of stakeholder is presented in the table below:

Obligation	% of Support for RSA
Funded Debt Obligations	
Prepetition First Out Term Loans	93.3%
Prepetition First Lien Notes	86.9%
Prepetition First Lien Senior Pari Term Loans	99.5%
Prepetition 1.5 Lien Facility	96.9%
Prepetition Second Lien Notes	85.1%
Preferred Equity	
Series A-0 Preferred Units	87.3%
Series A-1 Preferred Units	9.7%
Series A-2 Preferred Units	56.8%
Series B Preferred Units	68.6%
Series C Preferred Units	43.8%
Common Equity	
Series A Common Units	35.4%
Series B Common Units	0%

49. The purpose of the Chapter 11 Cases and these Recognition Proceedings are to provide the Debtors time to achieve the following:

(a) pursue their lawsuit against the U.S. Government to obtain compensation for the taking of the spectrum that the FCC granted exclusively to the Debtors for terrestrial use;

(b) continue the Takings Litigation;

(c) continue development of the technology and commercial ecosystem to deploy their spectrum assets; and

(d) execute definitive documentation for and consummate the AST Transaction.

50. Should Ligado successfully execute its restructuring plan and emerge from the Chapter 11 Cases, Ligado estimates its indebtedness will be reduced from approximately $8.6 billion today to approximately $1.2 billion.

Milestones

51. The RSA sets forth the following key case milestones by which the Debtors' restructuring plan and timeline must comply (each, a "**Milestone**" and collectively, the "**Milestones**"). The table rows highlighted in light blue represent Milestones pertaining to these Recognition Proceedings – specifically, the timeline by which certain orders of the U.S. Court must be recognized by the Canadian Court.

Milestone	Timeline
Commencement of Chapter 11 Cases	No later than 11:59 pm ET on January 5, 2025
Break-Up Fee Motion i) Filing and ii) Scheduling of hearing	i) No later than one day after the Petition Date, Break-Up Fee Motion to be filed. ***Filed January 6, 2025***; and, ii) No later than 22 days after the Petition Date, Break-Up Fee Motion hearing to be scheduled. ***Hearing scheduled for January 27, 2025***
U.S. Court enters Interim DIP Order	No later than five days after the Petition Date. ***Interim DIP Order entered on January 8, 2025***
Canadian Court grants Initial Recognition Order and recognizes Interim DIP Order	No later than 10 business days after the Petition Date ***Initial Recognition Hearing scheduled for January 16, 2025***
U.S. Court enters Break-Up Fee Order (as defined below)	No later than 35 days after the Petition Date
U.S Court enters Final DIP Order	No later than 35 days after the Petition Date
Canadian Court recognizes Final DIP Order	No later than 10 business days after U.S. Court entry of the Final DIP Order
Debtors to execute definitive documents for AST Transaction ("**AST Definitive Agreements Execution Milestone**")	No later than 75 days after the Petition Date

Debtors to file motion to approve definitive documents for AST Transaction	No later than 75 days after the Petition Date
Debtors to file the Chapter 11 plan, Disclosure Statement, and motion seeking approval of Solicitation Materials	No later than 75 days after the Petition Date
Company and Required Consenting Creditors to agree on form of new Management Incentive Plan	No later than 7 days after the AST Definitive Agreements Execution Milestone
U.S. Court enters the Disclosure Statement Order	No later than 110 days after the Petition date
U.S. Court enters AST Definitive Agreements Order	No later than 110 days after the Petition date
U.S. Court shall have entered the Confirmation Order	No later than 145 days after the Petition date
Canadian Court recognizes Confirmation Order	No later than 10 days after the entry of the Confirmation Order by the U.S. Court
Effective date of the Chapter 11 plan	No later than 40 months after the Petition Date

THE DIP FACILITY

Background

52. Capitalized terms used but not immediately defined in this section shall have the meanings ascribed to such terms in: (a) the senior secured super-priority debtor in possession loan agreement dated January 5, 2025 (the "**DIP Loan Agreement**") by and among Ligado Networks LLC, as borrower, the Subsidiary Guarantors (as such term is defined therein), U.S. Bank Trust Company, National Association as administrative agent (in such capacity, the "**DIP Agent**"), and the lenders party thereto from time to time; (b) the Interim DIP Order; or, (c) the declaration of Bruce Mendelsohn, Partner and Global Head of the Financing and Capital Solutions Group at Perella Weinberg Partners L.P. ("**PWP**") dated January 6, 2025, in support of the Debtors' motion for entry of the Interim DIP Order, granted, and the final DIP order (the "**Final DIP Order**") sought, as applicable (the "**DIP Declaration**").

53. The proposed Information Officer understands that the Debtors, without access to the DIP Facility, have insufficient liquidity to continue business in the ordinary course, advance their restructuring plan, and administer the Chapter 11 Cases and the Recognition Proceedings.

54. In parallel with negotiating and as part of the RSA, the Debtors reached agreement with certain of the consenting lenders to provide the DIP Facility to fund the restructuring contemplated by the RSA.

55. Certain members of the Ad Hoc Cross-Holder Group and the ad hoc group of Prepetition Lenders and Holders under the 1L Loan Agreement and/or the 1L Notes Indenture and certain other holders of Prepetition Secured Obligations have committed to backstop the entire new money portion of the DIP Facility in exchange for receiving a 12.5% non-cash Backstop Fee, payable in kind on Commitments as of the Closing Date.

56. The DIP New Money Loans are secured by senior secured superpriority liens on substantially all assets and property of the Debtors, subject to certain permitted exceptions, permitted senior liens, and a carve-out for professional expenses. The DIP Facility will mature upon the scheduled Maturity Date and certain events as set forth in the DIP Loan Agreement, including the date of substantial consummation of a plan of reorganization. The scheduled Maturity Date is initially set at 120 days after the Petition Date but may be extended with the consent of certain DIP Lenders by five additional consecutive 120 day periods, which would bring the scheduled term of the DIP Facility to approximately two years in total.

57. In relation to the Canadian Debtors entering into the DIP Loan Agreement, the Canadian Debtors also entered into a senior secured super-priority debtor-in-possession Canadian security agreement dated January 7, 2025 (the "**Canadian Security Agreement**") with U.S. Bank Trust Company, National Association as collateral agent (the "**Collateral Agent**"). The purpose of the Canadian Security Agreement was to supplement the Interim DIP Order, the pending Final DIP Order, and the pending Supplemental Order by fully setting forth the Canadian Debtors' and Collateral Agent's respective rights in connection with such grant of security interest in the collateral of the Debtors located or situated in Canada (the "**Canadian Collateral**").

The Interim DIP Order

58. On January 7, 2025, the U.S. Court approved the Interim DIP Order, which approved the DIP Facility on an interim basis.

59. The Interim DIP Order approves, on an interim basis, the DIP Facility in the amount of $939,133,507 in term loans to be funded as follows:

    (a) new money term loans to be made in:

        i. an Initial Draw of up to $12,000,000 following entry of the Interim DIP Order; and

        ii. after entry of the Final DIP Order, subsequent new money term loan draws in an aggregate principal amount of $429,999,891, which will be available subject to satisfaction of certain milestones and conditions precedent; and

    (b) subject to approval and entry of the Final DIP Order by the U.S. Court, a "roll-up" of Prepetition First Lien Debt (other than the Prepetition First Out Term Loans, which will be paid off in cash in full) in the aggregate principal amount of between $441,999,891 and $497,133,616 in accordance with the terms and conditions set forth in the proposed Final DIP Order.

The Initial Budget

60. Ligado has provided the Initial Budget, originally attached to the motion for the Interim DIP Order and Final DIP Order and attached hereto at **Appendix "F"**, to the DIP Lenders, which is in form and substance satisfactory to the DIP Lenders and reflects the projected cash requirements of the Debtors on a consolidated basis for the 13-week period ending April 4, 2025. As demonstrated in the January Cash Flow Forecast (as defined below) for the Canadian Debtors presented herein, the Canadian Debtors will require approximately $1 million of liquidity from the U.S. Debtors to support their operations during the period noted.

Overview of Certain Key DIP Terms

61. Capitalized terms used in this section but not otherwise defined herein shall have the meaning ascribed to such terms in the DIP Loan Agreement. Further details of certain key terms of the DIP Loan Agreement are set out below:

DIP LOAN AGREEMENT	
Borrower / Debtor in Possession	Ligado Networks LLC
Guarantors / Other Debtors -in -Possession	Each of Ligado's subsidiaries that is a Debtor
Lenders	Certain Prepetition Lenders and Holders or their affiliates (the "**DIP Lenders**")
DIP Agent	U.S. Bank Trust Company, National Association
Term / Maturity	The DIP New Money Loans (as such term is defined below, together with all other DIP obligations under or in connection with the DIP Loan Agreement) shall mature and be due and payable 120 calendar days after the Petition Date. The Debtors may receive five consecutive additional extensions of up to 120 calendar days each with the consent of the Required Ad Hoc Holders.
DIP Facility	Pursuant to the terms and conditions of the DIP Loan Agreement, the Company shall incur the DIP Facility totaling $939,133,507 on a super-priority basis consisting of: (a) a new money term loan facility in an aggregate initial principal amount of up to $441,999,891 (the "**DIP New Money Loans**"); and (b) the roll-up of the Prepetition Roll-Up Indebtedness into Roll-Up Loans hereunder in an aggregate minimum initial principal amount of up to $497,133,616 (the "**Roll-Up Amount**"). <u>DIP New Money Loans</u> • A first advance of $12,000,000 of the DIP New Money Loans shall be made by the DIP Lenders to the Borrower in a single draw, with such amount to be made available upon entry of the Interim DIP Order by the U.S. Court. • A second advance of up to $326,999,891 of the DIP New Money Loans shall be made by the DIP Lenders to the Borrower, with such amount to be made available upon entry of the Final DIP Order and used, in part, to repay in full in cash the Prepetition First Out Term Loans with approximate principal balance of $319.5 million. • A DIP Delayed Draw Term Loan in an amount not exceeding $103,000,000 of the DIP New Money Loans shall be made by the

	DIP Lenders to the Borrower, with such amount to be made available to the Borrower within three days following entry of the Final Order. <u>Roll-Up</u> The DIP Facility also includes a Roll-Up of the Prepetition First Lien Debt (other than Prepetition First Out Term Loans) in the aggregate principal amount of at least $441,999,891 and up to $497,133,616 upon entry of and pursuant to the Final DIP Order. Each Lender (as of the Closing Date) shall automatically, and without further action or order of the U.S. Court, Canadian Court or any other Person, be deemed on such date to have "rolled-up" and refinanced on a cashless basis the Prepetition First Lien Debt (other than the Prepetition First Out Term Loans) held by such Lender immediately prior to the entry date of the Final DIP Order for an aggregate amount of loans under the DIP Facility. More specifically: • For each $1.00 of Loans and/or Commitments held by such Lender as of the date of the Final DIP Order, in an aggregate amount not to exceed such Lender's DIP Pro Rata Allocation Amount, such Lender shall be entitled to, and deemed to have funded in accordance with Section 2.01(d)(i) of the DIP Loan Agreement, $1.00 of Roll-Up Loans; and • For each $1.00 of Loans and/or Commitments held by such Lender as of the date of the Final DIP Order in excess of such Lender's DIP Pro Rata Allocation Amount, such Lender shall be entitled to, and deemed to have funded in accordance with Section 2.01(d)(i) of the DIP Loan Agreement, $2.00 of Roll-Up Loans. On the effective date of the Plan, the DIP New Money Loans and the DIP Roll-Up Loans shall convert into loans under a first lien multi-draw term loan exit facility.
DIP Milestones	The DIP milestones are the same as set forth in the RSA, and the DIP-specific milestones are summarized below for reference: (a) no later than five days after the Petition date, the U.S. Court shall have entered the Interim DIP Order; (b) no later than 10 Business Days after the Petition Date, the Canadian Court shall have issued the Initial CCAA Recognition Order and the Interim DIP Recognition Order; (c) no later than 35 days after the Petition Date, the U.S. Court shall have entered the Final DIP Order; and

	(d) no later than 10 Business Days after entry of the Final DIP Order, the Canadian Court shall have entered the Final DIP Recognition Order.
Interest Rates	Interest will be payable on the unpaid principal amount of all outstanding DIP Loans at a rate per annum equal to 17.5%, payable in kind (or 15.5% per annum to the extent a cash interest election is made).
Fees	DIP Agent Fee: The Borrower will pay to the DIP Agent, for its own account, an initial acceptance fee of $20,000 and an annual agency fee of $80,000 Backstop Fee: 12.5%, payable in kind on Commitments as of the Closing Date Commitment Fee: 5%, payable in kind on Commitments as of the Closing Date DIP First Funding Discount Fee: 5%, payable in kind on the aggregate amount of DIP First Funding Loans made on the DIP First Funding Date DIP Second Funding Discount Fee: 5%, payable in kind on the aggregate amount of DIP Second Funding Loans made on the DIP Second Funding Date (other than any Excess DIP Second Funding Loan Proceeds returned to DIP Lenders on the DIP Second Funding Date) DIP DDTL Funding Discount Fee: 5%, payable in kind on the aggregate amount of DIP Delayed Draw Term Loans made on the DIP DDTL Funding DIP Unused Commitment Fee: DIP Unused Commitment Fee of 3% per annum, payable in kind on unused DIP DDTL Commitments and DIP Second Funding Commitments
Secured Collateral	In exchange for the consent of the DIP Lenders for the use of cash collateral and the priming DIP Loans, the DIP Lenders shall receive, subject to the challenge rights set forth in paragraph 27 of the Interim DIP Order and the Carve Out[2]: (a) adequate protection claims entitled to superpriority expense status; (b) adequate protection liens on the DIP Collateral in the priorities set forth in the Interim DIP Order; (c) payment of certain reasonable and documented fees and expenses of the DIP Lenders; and (d) payment to the

[2] Pursuant to the Interim DIP Order, the "**Carve Out**" means the sum of (i) certain fees paid to the Clerk of the U.S. Court and U.S. Trustee under the U.S. Bankruptcy Code; (ii) amounts up to $25,000 incurred by a trustee under section 726(b) of the U.S. Bankruptcy Code; (iii) the amounts owing to professionals retained by the Debtors and committee if appointed; and (iv) Allowed Professional Fees of Debtor Professionals in an amount not to exceed $2 million plus any U.S. Court approved transaction fee pertaining to day after issuance of the Carve Out Trigger Notice following a Termination Event.

	First Lien Secured Parties of PIK interest at the default rate under the First Lien Debt Documents.
DIP Charge Priority	The Interim DIP Order, if recognized by the CCAA Court, grants the Administrative Agent and the DIP Lenders a super-priority charge on Canadian Collateral, subordinate only to the Administration Charge. For the avoidance of doubt, Canadian Collateral means collateral of the Debtors located or situated in Canada, including any intangibles located or deemed located in Canada pursuant to applicable law.
Conditions Precedent to DIP Facility Advances	Subject to the conditions set forth in "Conditions to Effectiveness", "Conditions to the DIP First Funding Date" and "Conditions to Each DIP DDTL Funding Date" in the DIP Loan Agreement, (a) the amount of the DIP New Money Loans to be available following entry of the Interim DIP Order by the Court shall be up to $12 million and (b) subject to the entry of the Final DIP Order, the balance of the DIP New Money Loans will be made available to the Borrower in multiple draws. The obligation of each Lender to make the DIP First Funding Loans on the Closing Date, shall be subject to the satisfaction or waiver (by the Required Lenders in their sole discretion) of each of the conditions precedent set forth below: **CONDITIONS TO EFFECTIVNESS** The availability of the DIP Facility is conditioned upon satisfaction of customary closing conditions for facilities of this type and purpose, including but not limited to: (a) receipt by the DIP Agent of executed counterparts of the DIP Loan Agreement and the Perfection Certificate (as defined in the DIP Loan Agreement); and (b) delivery of customary organizational documents and an officer's certificate. **CONDITIONS TO THE DIP FIRST FUNDING DATE** The funding of each draw under the DIP Term Loan shall be subject to the following conditions: (a) entry of the Interim DIP Order within five days following the Petition Date; (b) receipt by the DIP Agent of an executed borrowing request; and

	(c) delivery of a customary officer's certificate. **CONDITIONS TO EACH DIP DDTL FUNDING DATE** The obligation of each DIP DDTL Commitment Lender to make DIP Delayed Draw Term Loans on any DIP DDTL Funding Date shall be subject to the satisfaction or waiver of each of the conditions precedent set forth below on such DIP DDTL Funding Date, including but not limited to: (a) the Closing Date shall have occurred and the DIP First and Second Funding Loans and Roll-Up Loans shall have been made; (b) entry of the Final DIP Order within thirty-five (35) days after the Petition Date; and (c) delivery of a customary officer's certificate.

62. The Proposed Information Officer has reviewed the terms of the DIP Loan Agreement, and for the reasons set forth below, is of the view that recognition of the Interim DIP Order and the granting of the DIP Charge is appropriate in the circumstances.

The Proposed Roll-Up Provisions (Final DIP Order)

63. The Interim DIP Order only provides for U.S. Court approval of an initial draw of up to $12 million following entry of the Interim DIP Order and does not approve the roll-up provisions. The proposed Final DIP Order contemplates approval of the roll-up provisions in the DIP Facility by the U.S. Court.

64. The roll-up provision in the DIP Facility, pending approval by the U.S. Court pursuant to the Final DIP Order, would not be permissible in a plenary proceeding under the CCAA as a result of section 11.2 of the CCAA which provides that an interim financing charge may not secure an obligation that existed before an initial order has been made. However, section 49 of the CCAA, provides that the Canadian Court may make any order that it considers appropriate, provided the Canadian Court is satisfied that it is necessary for the protection of the Debtor's property or the interests of a creditor or creditors.

65. Even though the Foreign Representative is not seeking approval of the roll-up provisions at this time, the Proposed Information Officer is of the view that providing an overview of such provisions is appropriate in the circumstances in order that the Canadian Court can consider the proposed roll-up in the broader context of the Debtors' restructuring plan and DIP Facility.

The Security Opinions

66. In anticipation of these Recognition Proceedings, the Proposed Information Officer requested that the Proposed Information Officer's Counsel review and provide an opinion on the validity and enforceability of the Ontario law governed security agreements entered into by the Canadian Debtors in respect of the Prepetition First Lien Indenture, the Prepetition First Lien Loan Agreement, the Prepetition 1.5 Lien Loan Agreement, and the Prepetition Second Lien Indenture, and the personal property security registrations made against the Canadian Debtors in the requisite provinces in favour of the parties secured under each such security agreement (collectively, the "**Security Opinions**"). For this purpose, the Proposed Information Officer's Counsel retained McDougall Gauley LLP to act as local counsel in Saskatchewan, and McInnes Cooper to act as local counsel in Nova Scotia (together, "**Local Counsel**"), on behalf of the Proposed Information Officer.

67. The Proposed Information Officer's Counsel and Local Counsel have completed their reviews and provided Security Opinions to the Proposed Information Officer which, subject to certain customary assumptions and qualifications, provide that:

    (a) the security agreements create a valid security interest in favour of the relevant collateral agent;

    (b) each of the security agreements is enforceable against each Canadian Debtor in accordance with its terms under the laws of Ontario; and

    (c) registrations have been made in all public offices in Ontario, Saskatchewan, and Nova Scotia where such registration in necessary at this time to perfect the security interests created by the security agreements.

68. As set out in the Smith Affidavit, searches conducted under the Personal Property Security Act (or equivalent legislation) on or about December 16, 2024, in Ontario, Saskatchewan

and Nova Scotia (the "**PPSA Searches**") where the assets of the Canadian Debtors are located indicate that:

(a) **Network Corp. and Holdings**: Registrations in Ontario, Saskatchewan and Nova Scotia were found in favour of U.S. Bank National Association, as Collateral Trustee, and U.S. Bank Trust Company, National Association, as Collateral Agent; and

(b) **Networks Inc.**: Registrations in Ontario and Saskatchewan in favour of U.S. Bank National Association, as Collateral Trustee, and U.S. Bank Trust Company, National Association, as Collateral Agent.

69. Copies of the PPSA Searches are attached to the Smith Affidavit as Exhibits "G", "H" and "I".

Proposed Information Officer's Views on the Interim DIP Order

70. The Debtors are of the view that the principle of comity and the following reasons, particularly given the circumstances of the Debtors, support recognition of the Interim DIP Order as well as the proposed granting of the roll-up:

(a) the DIP Facility facilitates the objectives of the CCAA and will allow Ligado, and its subsidiaries, to continue operations and pursue their restructuring plan;

(b) the Debtors require the initial draw to fund operations until the Final DIP Order can be approved, at which time they will require an additional draw shortly thereafter, estimated to be approximately $23 million per the Initial Budget, to provide liquidity to the Debtors and ensure operations continue in the ordinary course;

(c) PWP, who solicited the DIP Facility, notes the following in the DIP Declaration in support of the DIP Facility generally, including the roll-up provisions:

i. eleven potential third-party lenders with the financial wherewithal and potential interest to provide DIP financing were solicited by PWP and all eleven parties reported they were unwilling to extend financing to the Debtors;

ii. the Debtors were unable to obtain sufficient credit either on an administrative priority basis, secured liens on unencumbered property, or secured by junior liens on already encumbered property;

iii. the DIP Facility and use of Cash Collateral are expected to provide the Debtors with sufficient capital to administer the Chapter 11 Cases;

iv. PWP is not aware of any party that was willing to provide financing on an unsecured or junior basis and none of the third-party financing sources were willing to engage in a priming fight;

v. the economic terms of the DIP Facility, including the roll-up provisions, are appropriate for the unique circumstances of this case as such terms were negotiated at arm's length and reflect the best terms available to the Debtors;

vi. the DIP Lenders were unwilling to extend the DIP Facility unless the DIP Facility refinanced these prepetition obligations; and,

vii. the DIP Lenders were unwilling to provide funding to the Chapter 11 Debtors unless the Canadian subsidiaries guarantee the Borrower's liability under the DIP Facility;

(d) the proposed DIP Facility is supported by the majority of secured creditors with an economic interest in the Debtors; and

(e) given the existing capital structure, including the fact that the Canadian Debtors previously guaranteed the Debtors' Prepetition Secured Debt and that the Debtors intend to continue paying the Canadian unsecured creditors in the ordinary course, the DIP Facility will not cause material prejudice to any of the Debtors' Canadian creditors.

71. Absent any other viable alternative, the DIP Facility provides the only available option for the Debtors to implement a value maximizing transaction and restructuring plan for the benefit of the Debtors' stakeholders.

72. As such, the Proposed Information Officer is of the view that recognition of the Interim DIP Order is appropriate in the circumstances as it provides sufficient liquidity for the Debtors,

including the Canadian Debtors, to continue to operate its business and carry out its restructuring efforts.

73. The Proposed Information Officer, subject to its appointment as Information Officer, will continue to monitor developments with respect to the Final DIP Order, and will provide an update and relevant analysis as required to the Canadian Court when the Foreign Representative seeks recognition of such relief in the Recognition Proceedings.

OVERVIEW OF THE AST TRANSACTION

74. The Debtors and AST are currently working to develop definitive documentation for the AST Transaction. Upon completion of definitive documentation, pursuant to the Milestones, the Debtors must seek approval of the U.S. Court by filing a motion no later than 75 days after the Petition Date.

75. The key terms of the AST Transaction are summarized below. Please refer to Exhibit B of the RSA attached to the Smith Declaration for a copy of the executed term sheet for the AST Transaction.

Category	Description
Scope of Collaboration	AST and Ligado are to collaborate on L-Band MSS spectrum usage rights under the Cooperation Agreement, other relevant agreements, and FCC/ISED regulatory requirements, and certain other Ligado L-Band assets and operations. AST will also sublease spectrum for space to ground use.
Spectrum Usage	In consideration for AST's contributions and payments outlined below and through a mutually agreed upon structure by Ligado and AST as part of a pre-arranged Chapter 11 process, Ligado will provide and AST will assume the economic benefits of a certain portion of the fully coordinated L-bank spectrum and other L-Band MSS assets. Ligado will grant AST the right to use Ligado's satellites, ground stations and L-band spectrum; however, Ligado will retain ownership and control of its spectrum licenses, space station and ground station assets so as to protect Ligado's Takings Litigation. Terms for the transfer of licenses, space station and ground station assets to AST will occur upon resolution of the Takings Litigation. Existing satellite capacity usage for Ligado customers to be preserved until ability to amend or terminate such agreements is achieved.

Consideration Structure 1. Deferred Usage Obligation ("**DUO**") Component 1	1. AST to contribute $350 million of AST SpaceMobile, Inc. common equity at earlier of (a) such time as required by Chapter 11 Cases or (b) the Approval Condition (defined below) is met with AST option to substitute cash prior to transaction close, subject to the Backstop Commitment.
2. DUO Component 2	2. AST to contribute $200 million of AST SpaceMobile, Inc. Convertible Notes at market terms to Ligado at earlier of (a) such time as required by Chapter 11 Cases or (b) the Approval Condition (defined below) is met with AST option to substitute cash prior to transaction close, subject to Backstop Commitment.
3. Usage Rights Payment and Call Option	3. AST to pay Ligado an annual usage-right consideration of $80 million (each a "**Usage Rights Payment**") beginning on effective date of agreement provided amount covers 100% of amounts payable by Ligado to utilize L-Bank spectrum with limited AST option to pay excess amount owing in equity for up to 36 months. Term shall end the earlier of (a) on December 31, 2107 (same date as Cooperation Agreement) or (b) upon notice by AST if (i) Ligado does not make certain regulatory filings, (ii) certain technical approvals are not obtained within 24 months of submission, or (iii) within nine months after certain technical approvals are obtained, but certain adverse conditions prevent AST's use of the L-Bank spectrum (collectively, the "**Approval Condition**").
4. Revenue Share	4. AST to pay Ligado the greater of (a) 17.5% of Net Revenue derived from usage of L-band spectrum; (b) 5.0% of AST's share of Net Revenue derived from all North America operations, subject to satisfaction of the Approval Condition and adoption of L-Bank spectrum on both Apple and Android phones; (c) 2.5% of AST's share of Net Revenue from North American operations, subject to satisfaction of the Approval Condition and adoption of L-Bank spectrum on both Apple and Android phones. Revenue share to terminate on December 31, 2107, at same time as Cooperation Agreement.
Warrants	AST to issue penny warrants worth $113 million to Ligado, which will be subject to a one year lock up.
Governance	Governance structure to reflect Fortress and Cerberus governance rights comparable to their Verizon structure (i.e. information rights and right to observe on certain committees).
Crown Castle Spectrum Transfer	AST to sublease spectrum under the existing spectrum lease between Crown Castle and Ligado (the "**CCI Agreement**") for space to ground

	in exchange for AST agreeing to pay beginning on effective date of agreement (a) current amounts due under lease in cash, plus (b) premium of 30% in AST stock on each such payment, subject to certain requirements. For seven years, AST will have right to exercise purchase option in CCI Agreement provided AST pays Ligado (a) purchase price, plus (b) premium of 30% AST common stock. AST will have space spectrum rights while Ligado retains terrestrial rights, which terrestrial rights sold, AST to participate in 50% of proceeds greater than $1.25 billion up to $1.75 billion, and 75% of proceeds in excess of $1.75 billion.
Transaction Timetable	Ligado and AST to complete diligence and negotiate definitive agreements as soon as possible.
Takings Litigation	The AST Transaction preserves Takings Litigation rights for current Ligado shareholders.
AST Break-Up Fee ***(Note: This AST Break-Up Fee is separate and apart from the Break-Up Compensation of $200 million plus reimbursements as defined and described in further detail below)***	After closing of the AST Transaction, should the Takings Litigation materially adversely impact the use of the L-bank spectrum by AST for MSS as specified in the governing documents and upon written notice from AST, AST shall be entitled to a break-up fee subject to certain timing, calculations and limitations as described below (the "**AST Break-Up Fee**"). The AST Break-Up Fee is calculated as follows: (a) ***Before Approval Condition is met:*** an amount equal to (i) all Usage Rights Payments made by AST at the time of termination of the Definitive Agreements, PLUS (ii) the lesser of 2.5% of any proceeds from such litigation and $450 million; (b) ***After Approval Condition is met and on or before December 31, 2035***: an amount equal to (i) all Usage Rights Payments made by AST and Deferred Usage Obligations Components 1 and 2 made by AST at the time of termination, PLUS (ii) the greater of 2.5% of any proceeds from such litigation and $450 million; or (c) ***After Approval Condition is met and beginning on January 1, 2036***: an amount equal to (i) all Usage Rights Payments and Deferred Usage Obligation Components 1 and 2 at the time of termination, PLUS (ii) the lesser of 2.5% of any proceeds from such litigation and $450 million.
Voting Agreement	Cerberus, Fortress and sufficient holders of securities representing a voting two-thirds of each class provide AST with a binding commitment to support the AST Transaction and commit to using commercially reasonable efforts to obtain additional support for a Chapter 11 plan and any other necessary ancillary transactions.

Bankruptcy/ Liquidation	Effectiveness of any Chapter 11 plan in connection with Transaction shall be conditioned upon satisfaction of the Approval Condition.
Term Sheet Termination	This Term Sheet shall automatically terminate upon earlier of: (a) execution of Definitive Agreements; (b) mutual agreement; or (c) four months after the date hereof.

DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING PAYMENT OF THE AST TRANSACTION BREAK-UP FEE AND BREAK-UP REIMBURSEMENTS

Background

76. On January 6, 2025 and in accordance with the Milestones, the Debtors filed a motion (the "**Break-Up Compensation Motion**") for entry of an Order (the "**Proposed Break-Up Compensation Order**") authorizing payment of the following in the event that the Debtors consummate an Alternative Commercial Transaction (as defined in the RSA): (a) a break-up fee in the amount of $200 million subject to certain limitations (the "**Break-Up Fee**"); and, (b) a reimbursement to AST for all amounts paid by AST to the Debtors on account of the Debtors' obligations under the Inmarsat Agreement and the CCI Agreement (the "**Break-Up Reimbursements**", and collectively with the Break-Up Fee, the "**Break-Up Compensation**").

77. The Break-Up Fee is payable within five business days following approval of the Proposed Break-Up Compensation Order and consummation by the Debtors of any sale of a material portion of assets, plan proposal, or other transaction of similar effect (in each case, outside the ordinary course of business, other than in accordance with or in furtherance of the AST Transaction.

78. The Break-Up Reimbursements shall be reimbursed by the Debtors to AST within ten business days after the date of execution of binding agreements for an Alternative Commercial Transaction by the Debtors. The Debtors are to reimburse AST for all actual amounts paid by AST to the Debtors on account of the Company's obligations under the Inmarsat Agreement and the CCI Agreement, and the penny warrants issued to AST pursuant to the AST Transaction shall be cancelled.

79. The Break-Up Compensation is a condition precedent to the AST Transaction, and the penny warrants issued pursuant to the AST Transaction would be cancelled in the event that the Debtors consummate an Alternative Commercial Transaction. Please refer to Section 15 of the RSA for additional details and specifics regarding the Break-Up Compensation.

80. The Break-Up Compensation Motion is scheduled to be heard by the U.S. Court, in accordance with the Milestones, on January 27, 2025. Accordingly, the Foreign Representative is not seeking approval by the Canadian Court of the Proposed Break-Up Compensation Order at present; however, the Debtors and the Proposed Information Officer are of the view that it is important for the Canadian Court and stakeholders to be informed of the Break-Up Compensation Motion given it is an essential component of the restructuring.

81. Capitalized terms used but not immediately defined in this section shall have the meanings ascribed to such terms in: (a) the Break-Up Compensation Motion; (b) the Proposed Compensation Order; or (c) the Declaration of Bruce Mendelsohn, Partner and Global Head of the Financing and Capital Solutions Group at PWP dated January 6, 2025, in support of the Break-Up Compensation Motion and the Proposed Break-Up Compensation Order sought (the "**Break-Up Compensation Declaration**"), as applicable.

The Break-Up Compensation Declaration

82. The Debtors are of the view that the ability to consummate the AST Transaction before confirmation of a Chapter 11 plan provides a clear path to a comprehensive value maximizing transaction. In exchange for that certainty and flexibility, the Debtors submit that it is necessary and appropriate to provide AST with the Break-Up Compensation should the AST Transaction be terminated for the Debtors to consummate an Alternative Commercial Transaction.

83. The Debtors views are supported by the views of PWP who note the following in the Break-Up Compensation Declaration:

    (a) the AST Transaction, a long-term commercial agreement that includes the Break-Up Compensation, is critical to maximizing the value of the Debtors' assets,

(b) the Break-Up Compensation, by way of approval of the RSA and AST Transaction, is supported by Consenting Stakeholders who hold approximately 88% of the outstanding aggregate principal amount of the Prepetition Secured Debt;

(c) AST would not have entered into the AST Transaction and the RSA absent the Break-Up Compensation, and absent approval of the Break-Up Compensation, the Debtors risk AST walking away from the deal to the detriment of the Debtors' estates;

(d) it is reasonable and common for a debtor to seek approval of break-up fees to induce a counterparty to commit to a transaction and compensate the proposed counterparty for the time, risk and expense associated with committing to a transaction;

(e) the Debtors engaged in conversations with several third parties, which discussions included Viasat in many instances, during many months to find a strategic partner; however, no actionable proposals were received;

(f) the negotiations with AST were conducted in good faith and on an arm's length basis;

(g) the RSA contains a "fiduciary out" in the event the Debtors receive an Alternative Commercial Transaction Proposal;

(h) the AST Transaction is highly complex, multi-faceted and does not have a fixed value, but instead includes a revenue share component resulting in a heavily negotiated quantum for the Break-Up Compensation; and

(i) the Break-Up Compensation cannot be assessed in isolation as it is a critical component of a multi-faceted negotiation resulting in the highly coordinated RSA.

The Proposed Break-Up Compensation Order

84. The Proposed Break-Up Compensation Order seeks, *inter alia*, the following findings by and relief from the U.S. Court:

(a) the Debtors have articulated proper business judgement for the U.S. Court to grant the relief requested, and any objections not withdrawn, waived or settled are overruled;

(b) the Break-Up Compensation is necessary and reasonable in the circumstances, and approved in its entirety subject to the terms of the RSA and the Proposed Break-Up Compensation Order without further order of the U.S. Court; and

(c) the Break-Up Compensation shall constitute an allowed super-priority administrative expense claim against the Debtors' estates with priority over all other administrative expense claims, including any claims under the Interim DIP Order and Final DIP Order, but subject to the Carve Out.

85. The Proposed Information Officer, subject to its appointment as Information Officer, will continue to monitor developments with respect to the Break-Up Compensation Motion and Break-Up Compensation Order, and will provide an update and relevant analysis as required to the Canadian Court if and when the Foreign Representative seeks recognition of such relief in the Recognition Proceedings.

CASH FLOW FORECAST FOR THE CANADIAN DEBTORS FOR THE 13-WEEK PERIOD ENDING APRIL 4, 2025

86. The Debtors, with the assistance of FTI U.S. and the Proposed Information Officer, have prepared a 13-week cash flow forecast (the "**January Cash Flow Forecast**") of the receipts and disbursements of the Canadian Debtors for purposes of these Recognition Proceedings only. The January Cash Flow Forecast was compiled to isolate the cash flows of the Canadian Debtors from the consolidated Initial Budget, further inform the Canadian Court of the business and operations of the Canadian Debtors within Canada and provide additional information to assist the Canadian Court with its consideration of the relief requested by the Foreign Representative on behalf of the Debtors. The January Cash Flow Forecast is not to be used for any other purpose and is not subject to testing or any conditions contained within the DIP Facility.

87. The January Cash Flow Forecast, together with the notes thereto, is attached hereto as **Appendix "G".** The January Cash Flow Forecast is summarized as follows:

(US$ in thousands)	13-Week Period Ending April 4, 2025
	Total
Receipts	**$ 260.0**
Disbursements	
Operating Disbursements	
Employee Related	$ 1,257.7
Network	$ 366.5
General & Administrative	$ 136.6
Total Operating Disbursements	**$ 1,760.9**
Operating Cash Flows	**$ (1,500.9)**
Professional Fees	$ 797.3
Net Cash Flows	**$ (2,298.2)**
Opening Cash Balance	**$ 685.8**
Net Cash Flow	$ (2,298.2)
Transfers From Ligado	$ 2,676.0
Ending Cash Balance	**$ 1,063.6**

88. The January Cash Flow Forecast indicates that, during the 13-week cash flow period ending April 4, 2025, the Canadian Debtors are forecast to have net cash outflows from operating activities of approximately $1.5 million comprised of total receipts of approximately $0.3 million and total disbursements of approximately $1.8 million. Net of estimated professional fees for Canadian counsel to the Foreign Representative, and the Proposed Information Officer and its Counsel, of approximately $0.8 million, total net cash outflows during the period noted are forecast to be approximately $2.3 million.

89. The January Cash Flow Forecast incorporates the following key assumptions:

(a) The beginning cash balance of $0.7 million represents the cash-on-hand in the Networks Accounts (as defined below);

(b) Cash receipts of the Debtors contemplate the ongoing collection of receivables from its customers in the ordinary course and other miscellaneous receipts;

(c) The payment of employee related costs reflects current staffing levels and historical payroll amounts, inclusive of any payments associated with the Company's bonus programs;

(d) The payment of network costs for facilities, telecom, and related operating costs required to maintain the satellite network; and

(e) An initial transfer from the U.S Debtors to the Canadian Debtors of approximately $0.4 million during the week ending January 10, 2025, to satisfy the near-term liquidity requirements of the Canadian Debtors during the forecast period.

90. The Proposed Information Officer hereby reports to the Court as follows:

(a) The Proposed Information Officer has reviewed the January Cash Flow Forecast, prepared by Management for the purpose described in the notes to the January Cash Flow Forecast, using the probable and hypothetical assumptions set out therein;

(b) The review consisted of inquiries and discussions with Management and advisors to the Debtors, and analytical and substantive procedures and analysis. Since hypothetical assumptions need not be supported, the Proposed Information Officer's procedures with respect to the hypothetical assumptions were limited to evaluating whether they were consistent with the purpose of the January Cash Flow Forecast. The Proposed Information Officer has also reviewed the supporting information provided by Management and advisors to the Debtors for the probable assumptions, and the preparation and presentation of the January Cash Flow Forecast;

(c) Based on its review, and as at the date of this Pre-Filing Report, nothing has come to the attention of the Proposed Information Officer that causes it to believe that:

i. The hypothetical assumptions are inconsistent with the purpose of the January Cash Flow Forecast;

ii. The probable assumptions are not suitable, supported or consistent with the plans of the Debtors, or do not provide a reasonable basis for the January Cash Flow Forecast, given the hypothetical assumptions; or

iii. The January Cash Flow Forecast does not reflect the hypothetical and probable assumptions;

(d) Since the January Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the forecast even if the hypothetical assumptions occur, and those variations may be material. Accordingly, the Proposed Information Officer expresses no assurance as to whether the January Cash Flow Forecast will be achieved. The Proposed Information Officer also expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Pre-Filing Report; and

(e) The January Cash Flow Forecast has been prepared solely for the purpose described in the notes thereto. The January Cash Flow Forecast should not be relied upon for any other purpose.

DEBTORS' CASH MANAGEMENT SYSTEM AND INTERCOMPANY TRANSACTIONS

Overview

91. As described in the Smith Declaration and Smith Affidavit, the Debtors utilize a centralized cash management system to collect, manage, disburse, and invest funds used in their operations, and maintain current accounting records of their daily cash transactions on a daily basis (the "**Cash Management System**"). As of the Petition Date, the Debtors held approximately $9.6 million of cash, which they intend to use to fund their obligations arising in the ordinary course of business. Terms not otherwise defined in this section are as defined in the Debtors' motion for entry of the Interim Cash Management Order.

Banking

92. The Debtors operate nine bank accounts (the "**Bank Accounts**") at various banks (the "**Cash Management Banks**") that can be divided into five categories of bank accounts:

(a) Concentration Account: The Debtors maintain one U.S. domiciled Concentration Account at JP Morgan Chase Bank ("**JP Morgan**") in the name of Ligado, which serves as the primary collection point for all funds moving within the Debtors' cash management system and is funded manually from the Investment Account (discussed below) as required.

(b) Disbursement/Operating Accounts: The Canadian Debtors maintain three Disbursement/Operating Accounts, which includes two U.S. domiciled accounts denominated in U.S. dollars at JP Morgan in the names of Networks Corp. (the "**Networks USD Account**") and One Dot Six LLC, and one Canada domiciled account in the name of Networks Corp. denominated in Canadian dollars at Scotiabank (the "**Networks CAD Account**"). Generally, the Concentration Account and the Disbursement/Operating Accounts are utilized to pay general corporate expenses, including accounts payable, and are all funded manually as required.

(c) Truist Bank Accounts: The Debtors also maintain three parallel U.S. domiciled accounts at Truist Bank, including one account in the name of Networks Corp. (together with the Networks CAD Account and the Networks USD Account, the "**Networks Accounts**"), which were previously used as the primary cash management accounts, and are no longer actively utilized since the transition of the Concentration Account and certain Disbursement/Operating Accounts to JP Morgan.

(d) Investment Account: The Debtors maintain one U.S. domiciled investment account at a U.S. branch of the Royal Bank of Canada, which is funded manually as needed using excess funds in the Concentration Account.

(e) Restricted Account: The Debtors maintain one U.S. domiciled interest-bearing restricted certificate of deposit in the name of Ligado at Truist. The Restricted

Account is funded from the Concentration Account as needed and contains cash collateral associated with the Debtors' Credit Card program.

93. With respect to the Canadian Debtors, the Networks Accounts are generally used to pay corporate expenses of the Canadian Debtors denominated in Canadian dollars and U.S. dollars as required, including payroll, benefit obligations, operational expenses, and other business disbursements. The Networks Accounts held approximately $0.7 million as at the Petition Date. None of the employees of the Canadian Debtors hold a company-paid credit card.

Intercompany Transactions

94. Intercompany transactions occur on a regular basis amongst the Debtors, and are comprised of two categories: (a) funds transferred from one Debtor, typically Ligado, to provide liquidity to another Debtor, including the Canadian Debtors, which have historically been recorded as capital contributions or equity investments (the "**Cash Transactions**"); and (b) transactions whereby cash receipts or disbursements are received or disbursed by one Debtor but pertain to another Debtor in the ordinary course of business, and are recorded using book entries as intercompany receivables and payables (the "**Intercompany Claims**", and collectively with the Cash Transactions, the "**Intercompany Transactions**"). The Debtors maintain detailed records of all Intercompany Transactions and Intercompany Claims.

95. As discussed below, the Foreign Representative is seeking recognition of the Interim Cash Management Order to ensure that the Debtors, including the Canadian Debtors, are able to continue to utilize the Cash Management System and engage in Intercompany Transactions in the ordinary course. The Proposed Information Officer understands that Networks Corp., which operates the Canadian business of the Debtors and holds substantially all property used in the Canadian operations, and the other Canadian Debtors have historically been cash flow negative requiring periodic Cash Transactions from Ligado to Networks Corp., as required. In turn, Networks Corp. will fund Networks Inc. by way of Intercompany Claims. Based on historical results and the 13-week cash flow forecast for the Canadian Debtors presented herein, the Proposed Information Officer understands that the Canadian Debtors are expected to be cash flow negative subsequent to the Petition Date. The Debtors do not anticipate any cash sweeps from the Canadian Debtors by any of the U.S. Debtors to occur.

FIRST DAY ORDERS

96. The First Day Motions and the First Day Orders are described in the Smith Declaration and the Smith Affidavit. Copies of the First Day Motions and First Day Orders, together with all other publicly filed information in the Chapter 11 Cases, are available on the case website maintained by Omni Agent Solutions at the following address: < https://cases.omniagentsolutions.com/?clientId=3567> (the "**Docket**").

97. Ligado, in its capacity as the Foreign Representative, is seeking recognition of certain of the First Day Orders that have been entered by the U.S. Court in the Chapter 11 Cases. The First Day Orders to be recognized pursuant to the proposed Supplemental Order are listed and described in the Affidavit of Sarah Lam, sworn January 14, 2025. Copies of such First Day Orders are appended to the proposed Supplemental Order as Schedules "A" to "J".

98. With the assistance of the Proposed Information Officer's Counsel, the Proposed Information Officer has reviewed and considered the First Day Orders and discussed them with counsel to the Foreign Representative and Canadian counsel to the DIP Agent. The Proposed Information Officer is of the view that the relief contained in the First Day Orders is common in chapter 11 cases and is frequently recognized by Canadian courts in cross-border insolvency proceedings. A summary of each of the First Day Orders proposed to be recognized is set out below:

(a) Foreign Representative Order: The Foreign Representative Order, *inter alia*, (i) authorizes Ligado to act as the Foreign Representative of the Debtors' estates in any judicial or other proceedings in a foreign country, including an ancillary proceeding under Part IV of the CCAA; (ii) authorizes the Foreign Representative to seek recognition of the Chapter 11 Cases and any orders entered by the U.S. Court in the Recognition Proceedings, (iii) requests that the Canadian Court lend assistance to the U.S. Court in protecting the property of the Debtors' estates, (iv) authorizes the Foreign Representative to seek any other appropriate relief from the Canadian Court that the Foreign Representative deems just and proper in furtherance of protecting the Debtors' estates and creditors, and, (iv) consistent with any orders of the Canadian Court, pays the costs of the Court-appointed Information Officer and its counsel without further order of the U.S. Court. The Foreign

Representative Order also contains a request from the U.S. Court for the aid and assistance of the Canadian Court to recognize the Chapter 11 Cases as "foreign main proceedings" and Ligado as the "foreign representative" pursuant to the CCAA.

(b) Interim Cash Management Order: The Interim Cash Management Order, *inter alia*, authorizes, but does not direct, the Debtors to: (i) continue operating the Cash Management System and honour prepetition obligations related thereto; (ii) continue to use the Bank Accounts, including the Networks Accounts, in existence as of the Petition Date without the need to comply with certain guidelines relating to bank accounts set forth in the U.S. Trustee Guidelines; (iii) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (iv) use, in their present form, all cheques and other Business Forms without reference to the Debtors' status as debtors in possession; and (v) pay the Bank Fees, including any fees that accrued before the Petition Date, including to Scotiabank for the Networks Accounts, and to otherwise perform their obligations under the documents governing the Bank Accounts – provided that in each case of (i) through (v), such action is taken in the ordinary course of business and consistent with prepetition practices. The Cash Management Banks, including Scotiabank, are authorized, but not directed, to continue to maintain, service, and administer the Bank Accounts without interruption and in the ordinary course, and to pay any and all payments issued and drawn on the Bank Accounts after the Petition Date. Each Cash Management Bank is authorized to debit the Bank Accounts in the ordinary course of business for all checks and electronic payment requests, whether issued before or after the Petition Date, unless the Debtors specifically issue stop payment orders in accordance with the documents governing such Bank Accounts. The Debtors are also authorized to continue engaging in Intercompany Transactions in the ordinary course of business, consistent with historical practice, subject to properly recording such Intercompany Transactions in the Debtors' books and records. Recognition of the Interim Cash Management Order will ensure that the Canadian Debtors are able to continue to utilize the Cash Management System and engage in Intercompany Transactions in the ordinary course.

(c) Joint Administration Order: The Joint Administration Order, *inter alia*, orders that the Chapter 11 Cases, including those related to the Canadian Debtors, be consolidated for procedural purposes only, including one consolidated docket and one consolidated service list. The joint administration of these cases is common in similar circumstances and assists with managing administrative convenience and costs by avoiding duplicative filings that would be required absent such relief.

(d) Interim Insurance Order: The Interim Insurance Order, *inter alia*, authorizes, but does not direct, the Debtors to (i) continue to maintain the Debtors' insurance policies and surety bond program and honour any premiums, deductibles, assessments, and other related amounts, and (ii) renew, revise, amend, supplement, or extend the existing insurance policies and surety bonds, as well as purchase new insurance coverage and surety bonds, in each case in the ordinary course of business and consistent with past practice to the extent that the Debtors determine such action is in the best interest of their estates. The Debtors are also authorized, but not directed, to pay any premiums, fees or other amounts related to the insurance policies and surety bond program in the aggregate amount not to exceed $300,000 during the course of the Chapter 11 Cases, including but not limited to those that (A) accrued and were unpaid as of the Petition date; (B) were paid by the Debtors prepetition; (C) were incurred for prepetition periods but did not become due until after the Petition Date; or (D) were inadvertently not paid in the ordinary course of business prior to the Petition Date. Recognition of the Interim Insurance Order ensures that coverage from the insurance policies of the Canadian Debtors continues to ensure existing and future coverage remains in place in the best interest of their estates.

(e) Interim Tax Order: The Interim Taxes Order, *inter alia*, authorizes, but does not direct, the Debtors to remit and pay, or use credits to offset, taxes and fees owing with respect to the period prior to or after the Petition Date including all taxes and fees that (i) accrued and were unpaid as of the Petition Date; (ii) were paid by the Debtors prepetition but such payment was lost or not received in full by the taxation authority; (iii) were incurred for prepetition periods but did not become due until after the Petition Date; or (iv) were inadvertently not paid in the ordinary course of

business prior to the Petition Date. The Debtors are not authorized to pay any amounts on account of taxes and fees for invoices with a payment date prior to the Petition Date, subject to entry of the Final Tax Order. Prior to entry of the Final Tax Order, the Debtors are authorized, but not directed, to pay prepetition taxes and fees in an aggregate amount not to exceed $55,000. Recognition of the Interim Tax Order will enable the Canadian Debtors to continue collecting and remitting such taxes to and from the applicable taxing authorities in Canada.

(f) Interim Utilities Order: The Interim Utilities Order, *inter alia*: (i) approves the proposed adequate assurance of payment of $70,000 for future utility services and the adequate assurance procedures; and (ii) prohibits utility companies from altering, refusing, or discontinuing services to the Debtors. The utilities service providers to which the Interim Utilities Order applies include utilities service providers located in Canada. Recognition of the Interim Utilities Order ensures continuous service for the Canadian Debtors and provides Canadian utilities service providers with certainty regarding payment for post-filing services through the use of a segregated account containing an adequate assurance deposit for the benefit of the utilities service providers during the Chapter 11 Cases.

(g) Interim Wages Order: The Interim Wages Order, *inter alia*, authorizes, but does not direct, the Debtors to: (i) pay prepetition wages, salaries, reimbursable expenses and other obligations on account of the Debtors' compensation and benefits programs; (ii) maintain and continue to honour and pay amounts with respect to the Debtors' compensation and benefits programs as such programs were in effect prior to the Petition Date; and (iii) modify, amend, or supplement the Debtor's compensation and benefits programs from time to time in the ordinary course of business. The Debtors are authorized, but not directed, to pay all prepetition amounts in an aggregate amount not to exceed $235,000 on an interim basis; however, the Debtors shall not pay to any individual employee, independent contractor or manager any amounts on account of prepetition compensation obligations in excess of $15,150 or as set forth in the U.S. Bankruptcy Code. Recognition of the Interim Wages Order will support the Canadian Debtors'

authority to process compensation, deductions, and benefits for its approximately thirty-one employees in Canada without interruption.

(h) Omni Retention Order: The Omni Retention Order, *inter alia*, authorizes the Debtors, including the Canadian Debtors, to appoint Omni as claims and noticing agent to provide certain services including (i) distribution of required notices; (ii) receive, maintain, docket, and administer proofs of claim; and (iii) provide other administrative services required by the Debtors that falls within the purview of services provided by the Clerk's Office. Recognition of the Omni Retention Order assists the Debtors to expedite the distribution of notices, processing of claims, and other administrative aspects while relieving other retained professionals of administrative burdens – all for the benefit of, and to maximize value for, the stakeholders of the Debtors' estates including stakeholders of the Canadian Debtors.

(i) Personal Information Redaction Order: The Personal Information Redaction Order, *inter alia*, authorizes the Debtors to redact the home addresses of natural persons, including the Debtors' employees and former employees, listed on the creditor matrix and other documents to be filed with the U.S. Court. Recognition of the Personal Information Redaction Order will help to minimize the risk of potential identity theft or other potential threats to natural persons, and represents a common sense approach when natural persons are involved in a matter such as the Chapter 11 Cases and these Recognition Proceedings.

(j) Interim DIP Order: As outlined and discussed in the DIP Facility section above, the Interim DIP Order, *inter alia*, provides the Debtors with authorization, on an interim basis, to obtain senior secured post-petition financing on a superpriority basis pursuant to the terms of the DIP Loan Documents. From the date of the Interim DIP Order through to the earliest to occur of (i) entry of the Final DIP Order; or (ii) the DIP Termination Date, the Borrower is authorized to incur, and the Guarantors (including the Canadian Debtors) are hereby authorized to unconditionally guarantee on a joint and several basis, DIP Obligations under the DIP Facility up to an aggregate principal amount of $12,000,000 in New Money Loans on an interim

basis, together with applicable interest, fees, or other charges payable in relation to the DIP Facility. The Interim DIP Order provides for the irrevocable payment to the DIP Lenders of all fees, costs and expenses including, but not limited to: (x) any Backstop Fee, Commitment Fee, DIP First Funding Discount Fee, closing fee, servicing fees or similar amounts deemed to have been approved upon entry of the Interim DIP Order; and (y) the reasonable and documented fees, costs, and expenses of the DIP Agent and the DIP Lenders. The Interim DIP Order also grants and perfects the DIP Liens and Adequate Protection Liens, the DIP Superpriority Claims, and the DIP Protections as set forth in the DIP Loan Documents. The DIP Obligations, including the Roll-up Amount subject to approval of the Final DIP Order, are secured by a superpriority senior security interest in and lien upon all property of the Debtors, whether existing on the Petition Date or thereafter acquired, with the exception of subordination to the Carve Out, the first-ranking superpriority Administration Charge over Canadian Collateral granted by the Canadian Court, and the Prepetition Permitted Prior Liens (if any) and any Excluded Property. The Debtors must also comply with the Approved Budget (subject to Permitted Variances), which includes payments in support of the Canadian Debtors.

99. The Interim Cash Management Order, the Interim Insurance Order, the Interim Tax Order, the Interim Utilities Order, the Interim Wages Order, and the Interim DIP Order were granted on a provisional interim basis whereby any objections or responses to entry of final orders must be served on the Debtors, counsel to the Debtors and certain notice parties before 4:00 p.m. ET on January 29, 2025 in advance of the final hearing scheduled for 1:00 p.m. ET on February 5, 2025, if such hearing is required. If no objections or responses are timely filed and validly served, the Debtors shall, on or after the applicable objection deadline, submit to the U.S. Court final orders which may be entered with no further notice or need for a final hearing.

100. The Proposed Information Officer is of the view that the Foreign Representative's request for the recognition of the above-noted First Day Orders pursuant to the proposed Supplemental Order should be granted given, inter alia, that:

(a) Canadian and U.S. stakeholders are treated in the same manner under each of the First Day Orders for which recognition is sought, and Canadian creditors are not expected to be materially prejudiced by any of the First Day Orders;

(b) the granting of the proposed Supplemental Order would be consistent with the principles of comity while facilitating the efficient coordination of the Chapter 11 Cases and these Recognition Proceedings;

(c) many of the First Day Orders for which recognition is sought are primarily procedural or administrative in nature, commonplace in the context of other complex chapter 11 proceedings, and generally consistent with the forms of first day orders frequently recognized in Canada in large cross-border insolvency proceedings;

(d) the Canadian Debtors rely on certain other U.S. domiciled Debtors for financial and business function support critical to supporting the Debtors' Canadian operations and business, and the Debtors require the DIP Facility to continue to provide those financial and business function supports;

(e) the First Day Orders were supported by the Debtors' key stakeholders, including the DIP Agent and the DIP Lenders; and

(f) the Proposed Information Officer is not aware of any objection having been filed in the Chapter 11 Cases by a Canadian stakeholder in respect of the First Day Orders for which recognition is being sought.

THE CHARGES PROPOSED UNDER THE SUPPLEMENTAL ORDER

101. Pursuant to the proposed Supplemental Order, the Foreign Representative seeks the granting of the Administration Charge and the DIP Lenders' Charge (together, the "**Charges**") over the Canadian Debtors' property. The priorities of the Charges are proposed to be as follows:

(a) First – the Administration Charge (to the maximum amount of CAD$750,000); and

(b) Second – the DIP Charge.

102. Each of the Charges and the views of the Proposed Information Officer with respect thereto are discussed below.

The Administration Charge

103. The proposed Supplemental Order provides for an Administration Charge up to the maximum amount of CAD$750,000 in favour of Canadian counsel to the Foreign Representative and the Canadian Debtors, the Information Officer, and counsel to the Information Officer. The Administration Charge is intended to provide security for the fees and disbursements of such professionals, each of which is expected to have a distinct role in these Recognition Proceedings and has and will contribute to the Canadian Debtors' restructuring efforts.

104. The proposed quantum of the Administration Charge was determined with the assistance of the Proposed Information Officer. It is commensurate with the nature, scope and complexity of these Recognition Proceedings, the size of the retainers provided to the beneficiaries of the Administration Charge, and the professional costs expected to be incurred by such beneficiaries.

105. In the circumstances, the Proposed Information Officer is of the view that the proposed Administration Charge is appropriate in the circumstances. Moreover, the Proposed Information Officer is of the view that it will ensure that the Canadian Debtors have the benefit of professional advice and expertise necessary for the success of these Recognition Proceedings. For these reasons, the Proposed Information Officer respectfully recommends that the proposed Administration Charge be granted under the Supplemental Order.

The DIP Charge

106. As noted above, the DIP Loan Agreement contemplates superpriority liens and charges, in accordance with the terms therein and as provided for in the Interim DIP Order to secure the obligations outstanding from time to time under the DIP Facility, provided that the DIP Charge will rank below the Administration Charge in priority. Accordingly, the Foreign Representative is seeking the granting of a charge on the Canadian Debtors' property in favour of the DIP Lenders pursuant to the proposed Supplemental Order.

107. Given the reliance of the Canadian Debtors on the U.S. domiciled Debtors for critical business functions and the Debtors' need to access the DIP Facility to provide those functions and provide liquidity to pay Canadian employees, vendors and other suppliers in Canada, and having regard to the scope of the liens granted under the Interim DIP Order to be recognized within the proposed Supplemental Order, among other factors, the Proposed Information Officer is of the view that the DIP Charge is appropriate in the circumstances.

ACTIVITIES OF THE PROPOSED INFORMATION OFFICER TO DATE

108. To date, the activities of the Proposed Information Officer have included the following:

    (a) attending the hearing of the Debtors' First Day Motions in the Chapter 11 Cases via videoconference;

    (b) monitoring the Docket to remain apprised of materials filed in the Chapter 11 Cases;

    (c) reviewing each of the First Day Motions and the First Day Orders in respect of which recognition is sought;

    (d) engaging in discussions and correspondence regarding the Chapter 11 Cases and the Recognition Proceedings with Canadian counsel to the Foreign Representative, the Debtors, and Management;

    (e) assisting the Canadian Debtors and the Foreign Representative in determining the appropriate quantum of the Administration Charge;

    (f) corresponding with the Proposed Information Officer's Counsel regarding, *inter alia*, the Chapter 11 Cases, these Recognition Proceedings, relief sought by the Foreign Representative, and matters concerning the Security Opinion; and

    (g) preparing this Pre-Filing Report.

109. If appointed in these Recognition Proceedings, the proposed Supplemental Order contemplates that the powers and duties of FTI Canada, in its capacity as Information Officer, will include the following:

(a) assisting the Foreign Representative in the performance of its duties in such capacity as the Foreign Representative may reasonably request;

(b) reporting to the Canadian Court with respect to the status of these Recognition Proceedings and the Chapter 11 Cases;

(c) providing creditors of the Canadian Debtors with non-confidential information provided by the Foreign Representative or the other Canadian Debtors in response to reasonable requests for such information;

(d) publishing a notice once a week for two consecutive weeks in *The Globe and Mail* (National Edition) regarding the issuance of the Initial Recognition Order and the Supplemental Order; and

(e) establish a case website on which materials filed in, and other relevant information pertaining to, these Recognition Proceedings will be posted for the benefit of Canadian stakeholders and other interested parties, including motion materials, orders granted by the Canadian Court, a current service list, and the Information Officer's reports to the Canadian Court.

CONCLUSION

110. For the reasons set out in this Pre-Filing Report, the Proposed Information Officer is of the view that the relief requested by the Foreign Representative is reasonable and appropriate in the circumstances.

111. Accordingly, the Proposed Information Officer respectfully recommends that the proposed Initial Recognition Order and proposed Supplemental Order be granted by the Canadian Court.

The Proposed Information Officer respectfully submits this Pre-Filing Report to the Court dated this 14th day of January, 2025.

FTI Consulting Canada Inc.
solely in its capacity as Proposed Information Officer
of the Debtors in these Recognition Proceedings,
and not in its personal or corporate capacity

Per: 

Jim Robinson
Senior Managing Director

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT* R.S.C. 1985, c. C 36, AS AMENDED

Court File No.: CV- 25-00734802-00CL

AND IN THE MATTER OF LIGADO NETWORKS LLC, LIGADO NETWORKS CORP., LIGADO NETWORKS HOLDINGS (CANADA) INC., LIGADO NETWORKS (CANADA) INC., ATC TECHNOLOGIES, LLC, LIGADO NETWORKS INC. OF VIRGINIA, ONE DOT SIX LLC, ONE DOT SIX TVCC LLC, LIGADO NETWORKS SUBSIDIARY LLC, LIGADO NETWORKS FINANCE LLC and LIGADO NETWORKS BUILD LLC

APPLICATION OF LIGADO NETWORKS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C 36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

PRE-FILING REPORT OF THE PROPOSED INFORMATION OFFICER

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E
Tel: (416) 869-5236
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Lawyers for the Proposed Information Officer

Appendix B - "UCC Statement"

UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
DISTRICT OF DELAWARE

In re:

LIGADO NETWORKS, LLC, *et al.*,	Chapter 11
Debtors	Case No. 25-10006 (TMH)

STATEMENT THAT UNSECURED CREDITORS' COMMITTEE HAS NOT BEEN APPOINTED

TO: THE CLERK OF THE BANKRUPTCY COURT

As of the date of this statement, the UNITED STATES TRUSTEE has not appointed an official committee of unsecured creditors.

( ) Debtor's petition/schedules reflect less than three unsecured creditors, (excluding insiders and governmental agencies).

( ) No unsecured creditor response to the United States Trustee communication/contact for service on the committee.

(x) Insufficient response to the United States Trustee communication/contact for service on the committee.

( ) No unsecured creditor interest.

( ) Non-operating debtor-in-possession - - No creditor interest.

( ) Application to convert to Chapter 7 or to dismiss pending.

( ) Converted or dismissed.

( ) Other:

ANDREW R. VARA
UNITED STATES TRUSTEE,
REGIONS 3 & 9

/s/ Benjamin Hackman
Benjamin A. Hackman
Trial Attorney
benjamin.a.hackman@usdoj.gov
Joseph J. McMahon, Jr.
Assistant United States Trustee

DATED: January 16, 2025
cc: Proposed counsel for Debtors: Matthew Brod (Milbank LLP)

Appendix C – "341 Meeting Notice"

UNITED STATES BANKRUPTCY COURT
District of Delaware
824 Market Street, 3rd Floor
Wilmington, DE 19801

Una O'Boyle
Clerk of Court

To: Richards, Layton & Finger
One Rodney Square
920 King Street
Wilmington, DE 19801

RE: ***25−10006 Ligado Networks LLC***

Please be advised that the United States Trustee's Office has filed a "Request to Schedule Section 341 Meeting". The 341 Meeting for the above−mentioned case is to be scheduled on **Friday, February 14, 2025** at **11:00 a.m. (ET)** , J. Caleb Boggs Federal Building, 844 King Street, Wilmington DE 19801.

Please prepare the "Notice of Commencement of Chapter 11 Bankruptcy Case, Meeting of Creditors, and Fixing of Certain Dates" (341 Notice). An electronic version of this form is available from the Court's website: www.deb.uscourts.gov/content/forms. Should you want to make changes to this notice, you must contact Una O'Boyle, Clerk of Court, for approval prior to mailing.

Please mail the Notice to all creditors, in addition to the five (5) agencies listed below on or before January 24, 2025 and file the Notice and Certificate of Service with the Court no later than January 31, 2025.

Securities & Exchange Commission
100 F Street, NE
Washington, DC 20549

Securities & Exchange Commission
New York Regional Office
Attn: Andrew Calamari, Regional Director
Brookfield Place
200 Vesey Street, Suite 400
New York, NY 10281−1022

Internal Revenue Service
P.O. Box 7346
Philadelphia, PA 19101−7346

Secretary of State
Division of Corporations
Franchise Tax
P.O. Box 898
Dover, DE 19903

Delaware State Treasury
820 Silver Lake Blvd., Suite 100
Dover, DE 19904

Date: 1/21/25

Una O'Boyle

Una O'Boyle, *Clerk of Court*

(VAN−472)

Notice Recipients

District/Off: 0311−1	User: admin	Date Created: 1/21/2025
Case: 25−10006−TMH	Form ID: van472	Total: 15

Recipients of Notice of Electronic Filing:

ust	U.S. Trustee	USTPRegion03.WL.ECF@USDOJ.GOV
aty	Amanda R. Steele	steele@rlf.com
aty	Emily Rae Mathews	mathews@rlf.com
aty	Mark D. Collins	collins@RLF.com
aty	Michael Joseph Merchant	merchant@rlf.com

TOTAL: 5

Recipients submitted to the BNC (Bankruptcy Noticing Center):

db	Ligado Networks LLC	10802 Parkridge Boulevard		Reston, VA 20191	
aty	Abigail L. Debold	Milbank LLP	55 Hudson Yards	New York, NY 10001	
aty	Andrew M. Leblanc	Milbank LLP	1850 K Street, NW	Suite 1100	Washington, DC 20006
aty	Danielle Lee Sauer	Milbank LLP	1850 K Street, N.W.	Suite 1100	Washington, DC 20006
aty	Dennis F Dunne	Milbank LLP	55 Hudson Yards	New York, NY 10001	
aty	Jordan Rosen	Milbank LLP	55 Hudson Yards	New York, NY 10001	
aty	Lauren C. Doyle	Milbank LLP	55 Hudson Yards	New York, NY 10001 UNITED STATES	
aty	Mark Polishuk, Esq.	Milbank LLP	55 Hudson Yards	New York, NY 10001	
aty	Matthew L. Brod	Milbank LLP	55 Hudson Yards	New York, NY 10001	
aty	Tuvia Peretz	Milbank LLP	55 Hudson Yards	New York, NY 10001	

TOTAL: 10

Appendix D - "The Globe and Mail (National Edition) - Jan 22, 2025 and January 29, 2025 Publications"

CEOs and Trump want workers back in the office

New executive order is requiring federal departments to end remote arrangements

EMMA GOLDBERG

Five years since the pandemic began, workers have grown accustomed to a script. Their bosses make return-to-office plans, which then get shelved. And then shelved again.

In recent weeks, the calls to end remote work have come back with gusto, and with authority.

On Monday, U.S. President Donald Trump signed an executive order requiring federal department heads to "terminate remote work arrangements" and require all federal workers to return to in-person work five days a week. He previewed the move in December when he said those federal workers who refused to go into the office were "going to be dismissed."

Some chief executive officers, who have long been enthusiastic about ditching remote work, have also announced full return-to-office plans. Amazon.com Inc., JPMorgan Chase & Co. and AT&T Inc. told many employees they would have to be back in the office five days a week this year. Even in popular culture, the office is making a comeback, with *Babygirl* glamorizing the blouse-wearing CEO, *Severance* returning for a new season probing corporate psychological drama and buzzy newsletters like "Feed Me" declaring remote work "out."

And some workers, who have come back to in-person work of their own volition, are eager to pick up their prepandemic work routines.

Two years ago, Ellen Harwick would have said she wanted to work remotely forever. Last fall, a switch flipped.

A marketing manager for an apparel brand in Bellingham, Wash., Ms. Harwick worked remotely for two weeks in Portugal while still working on Pacific time. Suddenly, she began to crave office chatter.

"Something just shifted for me," said Ms. Harwick, 48. "Working from home was really novel for the first bit, and then I just felt isolated." She is now back in the office five days a week.

But many proponents of remote work, who underscore the benefits it offers to people with caregiving responsibilities, voiced concern about flexibility evaporating entirely.

"It's very challenging to find child care that allows you to be in the office 9 to 5," said Sara Mauskopf, the CEO and founder of Winnie, a startup that connects families with child-care providers. Her company is fully remote.

Amazon's return to office began Jan. 2, when the company instructed most workers to come in five days a week, up from the three days required as of May, 2023. In some locations, the deadline has been postponed as the company reconfigures office space. CEO Andy Jassy told employees in a memo that returning to the office would better allow workers to "invent, collaborate and be connected" to one another and to the company culture.

"Before the pandemic, it was not a given that folks could work remotely two days a week, and that will also be true moving forward," Mr. Jassy wrote.

JPMorgan told employees that in-person work would support better mentorship and brainstorming. The company will start rolling out its return to office in March.

"We know that some of you prefer a hybrid schedule and respectfully understand that not everyone will agree with this decision," JPMorgan wrote in a memo to employees. "We feel that now is the right time to solidify our full-time in-office approach."

Many work-force experts point out that executives have wanted people back in the office for a while, for the purposes of building culture and relationships. What has changed, they say, is that employers feel they have more leverage now that the labour market is not quite as tight as it was at the height of the "great resignation," when there were more open jobs for the number of unemployed people.

"It becomes like another dimension of compensation – in a really tight labour market, employees get their way more, employers might not pressure them to come back because they might want to quit," said Harry Holzer, an economist at Georgetown University. "In a labour market where there's more slack, employers might be less worried about that."

Sometimes a return-to-office push has less to do with building an office culture and more to do with cost. Nick Bloom, an economist at Stanford University who studies remote work and advises executives on hybrid arrangements, said he had seen some companies press employees to return to the office as a way to reduce head count, understanding that calling all workers back would encourage some to quit.

"The waning of the DEI movement has made it a bit easier," Dr. Bloom added, referencing the backlash to corporate diversity initiatives, and explaining that women and employees of colour have tended to voice more support for remote work in surveys.

Despite these high-profile efforts to get workers back five days a week, many other employers are holding on to a hybrid approach.

Data from a Stanford project tracking work-from-home rates show that more than one-quarter of paid full days in the United States are worked remotely. And about three-quarters of Americans whose jobs can be done remotely continue to work from home some of the time, according to Pew.

One of the reasons that hybrid work has remained so sticky is that workers have made clear their preference for flexibility. Nearly half of remote workers surveyed by Pew said they would consider leaving their jobs if their employers no longer allowed them some remote flexibility. At Amazon, corporate workers staged a walkout in May, 2023, protesting RTO. Some employers said they had no plans to change course from hybrid arrangements.

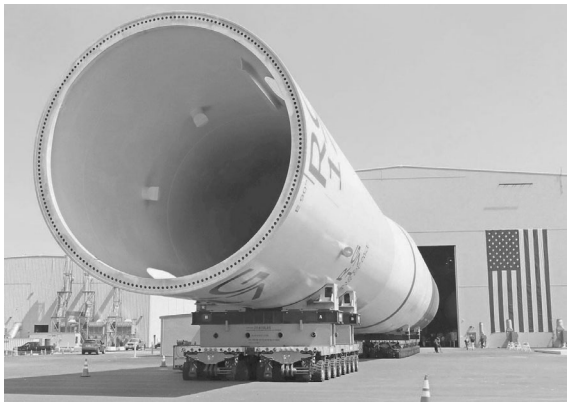
"We are committed to providing flexibility to the work force and believe the hybrid-flex approach allows teams to collaborate intentionally," said Claire Borelli, the chief people officer at TIAA, an investment firm that called its employees back to the office three days a week in March, 2022.

Some remote work stalwarts say the policy has had no impact on productivity and that it has helped employee retention. When Yelp Inc.'s lease came up for renewal in 2021, the company decided to shift locations and sublease a smaller space from Salesforce Inc. The company now allows employees to work fully remotely, bucking broader return-to-office trends.

"At this point, we almost drop the descriptor of remote work – it's just the way we work," said Carmen Amara, the company's chief people officer.

Ms. Amara said any skepticism the company faced over its remote policy went away because of bottom-line results. The company reported record net revenue and profitability in the last quarter of 2024, as well as a 13-per-cent decrease in turnover since 2021.

NEW YORK TIMES NEWS SERVICE



A giant monopile, the foundation for an offshore wind turbine from Denmark's Orsted A/S, sits on rollers at the Paulsboro Marine Terminal in Paulsboro, N.J., in July, 2023. WAYNE PARRY/ASSOCIATED PRESS

White House's suspension of offshore wind-power leases hits European companies

STINE JACOBSEN COPENHAGEN

Shares in European wind-power companies fell on Tuesday after U.S. President Donald Trump suspended offshore leasing for wind on his first day in office, adding to pain in an industry that had turned to the U.S. to help revive its fortunes.

The global offshore wind industry has struggled to play the role that many governments had envisaged in their plans to reduce carbon emissions. Escalating costs, supply-chain issues and planning delays have hit the industry and led to project cancellations and delays.

Former president Joe Biden's green investment policy had provided support for the sector. Mr. Trump on Monday suspended new federal offshore wind leasing pending an environmental and economic review, saying wind turbines are ugly, expensive and harm wildlife.

Denmark's Orsted A/S was the biggest decliner, plunging 17 per cent as it took a US$1.69-billion impairment charge on U.S. projects.

A delay and higher costs for Orsted's Sunrise Wind project, which once completed is expected to be the largest U.S. offshore wind farm, were the main reason for the share price plunge, analysts said.

The company also flagged impairments on seabed leases that could be directly linked to Mr. Trump, Sydbank analyst Jacob Pedersen told Reuters.

"Orsted now has some assets in the U.S. that are worthless. If there is nothing to be built because of Trump, Orsted can neither sell nor use the leases," he said.

Other companies involved in the wind industry also fell.

Portugal's EDP Renovaveis shares fell by around 1.6 per cent, Germany's RWE AG shed around 0.5 per cent, Norway's Equinor ASA dropped by 2.2 per cent and wind turbine manufacturer Vestas Wind Systems A/S fell by nearly 3 per cent in afternoon trade.

Italy's Prysmian SPA on Tuesday said it would abandon a plan to build a plant in the U.S. to make cables for offshore wind parks.

Prysmian's shares, which closed at a record high on Monday, lost around 1 per cent on Tuesday.

Stocks in nuclear companies rallied on Mr. Trump's support for boosting power supplies to meet the rising needs for data processing.

Stocks of U.S.-based uranium miners such as Energy Fuels Inc. and enCore Energy Corp. rose more than 4 per cent, while nuclear power companies, including utility Vistra Corp., Talen Energy and Constellation Energy Corp., were up between 4 per cent and 8 per cent in the afternoon trade.

Mr. Trump's energy secretary pick, Chris Wright, told U.S. senators in his confirmation hearing last week that his first priority would be to expand domestic energy production, including nuclear power and liquefied natural gas.

The U.S. has around 2.4 gigawatts of advanced-stage offshore wind developments that have reached final investment decision and are under construction. Those are unlikely to be affected by the order, according to Rystad Energy.

The environmental and economic review of existing offshore wind leases could, however, pose some risk for developers of existing projects, analysts said.

The American Clean Power Association, a U.S. clean-energy industry group, said it strongly opposed Mr. Trump's executive order on wind leasing and permitting.

"States voting for President Trump are eight of the top 10 states in terms of reliance on wind power with many depending on wind for a significant share of their electricity use. Restricting wind development in these regions is certain to increase consumer energy bills," it said.

In 2024, the oil and gas industry donated US$32.3-million to Mr. Trump and groups affiliated to him, as per data from OpenSecrets. In comparison, Mr. Trump was able to raise just US$453,687 from the U.S. renewable sector.

The U.S. renewable industry contributed US$2.9-million in political donations, with 78.7 per cent of it going to Democrat candidates.

REUTERS

Cameco: In new deals with U.S. clients, tariff costs to be passed on to the customer

FROM B1

Cameco, he pointed out, supplied around 30 per cent of its uranium needs, so tariffs on Canada would hit the U.S. consumer hard.

"I mean, go through all the math and the bottom line is electricity prices go up in the United States," he said during the Jan. 23 investor conference. "We were able to convince them the last time that wasn't a great idea to do that, and they backed down."

Cameco managed to avoid tariffs during a period when other Canadian companies in the metals and mining sector got hit hard.

Mr. Trump in 2018 imposed 25-per-cent tariffs on Canada's steel industry that persisted for almost a year. Those tariffs caused shipments of Canadian steel to quickly drop by nearly 40 per cent.

Mr. Trump also at that time hit the Canadian aluminum sector with 10-per-cent tariffs. That fight with Canada in aluminum lasted even longer than the spat over steel, with Mr. Trump dropping tariffs on aluminum in 2019, only to reinstate them temporarily in 2020.

Cameco's Mr. Gitzel conceded during his talk last week that he doesn't know what Mr. Trump is going to do this time around, but said that the company is continuing to make its case for uranium to be spared.

But the company isn't taking anything for granted, and it has reduced its risk profile in the U.S.

In any new contracts signed in the past few years with U.S. clients, Mr. Gitzel said that Cameco has specified that in the event of U.S. tariffs, those costs would be passed on to the customer. Cameco's exposure to the U.S. has also gone down, he added. Still, the U.S. remains an important market for the company. More than 50 per cent of Cameco's committed uranium sales are for customers in the Americas, which includes North, Central and South America.

Uranium has emerged as a strategic tool that Canada could potentially use as leverage over the U.S. in the event Mr. Trump imposes tariffs. In a speech in Washington earlier this month, federal Natural Resources Minister Jonathan Wilkinson pointed out that Canadian uranium powers the equivalent of 20 million homes in the U.S. Mr. Gitzel was recently appointed to Prime Minister Justin Trudeau's council on Canada-U.S. relations as Canada attempts to fend off a trade war with Mr. Trump.

As part of the back and forth between Canada and the U.S., Mr. Trump has said that Canada's trade problems would go away if it agreed to become the 51st U.S. state.

Mr. Gitzel in his talk last week, in jest, said that taking Mr. Trump up on his offer might be a good idea.

"I was just up in my room, just getting ready before I came down and the President was on. He said, 'Just become the 51st state, and it all goes away.' And so that'd be one option. I'm just saying that's an option," he said to chortles of laughter in the audience.

Mr. Gitzel declined an interview request.

Tariffs: People might be scared to speak up, not wanting to face Trump's wrath, labour expert says

FROM B1

The president of the Canadian Automotive Parts Manufacturers' Association likened the effect of the proposed U.S. tariffs on the auto industry to the Ambassador Bridge blockade in 2022 that briefly halted carmaking from Ontario to Kentucky. BRETT CARLSEN/THE NEW YORK TIMES

"The only thing you can do if you're a really smart business person is say this is just plain crazy," said Senator Hassan Yussuff, a former president of the Canadian Labour Congress, and now a member of the Council on Canada-U.S. Relations created by Prime Minister Justin Trudeau in January.

But "there's a lot of scared people, not prepared to speak up because they might face the President's wrath," he said.

The U.S. Chamber says its stance on tariffs remains unchanged. In a State of American Business address in mid-January, current chief executive Suzanne Clark warned that "tariffs are a tax paid by Americans and their broad and indiscriminate use would stifle growth at the worst possible time."

But she also emphasized cooperation with Mr. Trump on what she called the shared priority of fighting regulations, "as we did in President Trump's first term."

Other former defenders of free trade have said little. In 2018, 36 Republican senators signed a letter to Mr. Trump strongly defending North American free trade. The Globe and Mail reached out to each of those signatories who remain in office to ask if their views have changed. Only two responded.

Senator Joni Ernst of Iowa said in a statement that she "always fights for Iowa farmers and knows that President Trump is the ultimate dealmaker." The office of Chuck Grassley, who also represents Iowa, pointed to his recent comments to reporters in which he said he remains a supporter of free trade. But he said he was not ready to judge Mr. Trump's "new approach to tariffs."

"I'm not going to badmouth Trump in the meantime," he said. "I'm going to hope it works."

Individual companies, too, have restrained critical commentary. In 2018, Scott Wine, then the CEO of Polaris Inc., said he had been "very aggressive" in pushing against new tariffs that would hurt U.S. businesses. "Nobody thinks that's the right thing to do," he said.

In December, the company's current CEO, Mike Speetzen, was more circumspect. "Who knows what's going to happen," he told a Morgan Stanley investor conference. "We're not going to spend a lot of energy trying to worry about what could be."

James Vena, the CEO of Union Pacific Corp., said he has been looking "at the entire package" from the new administration. If Mr. Trump imposes tariffs but also reduces regulatory burdens and cuts taxes, "that could be a lot of positive," he said on a Jan. 23 earnings call.

"We're just going to kind of hang in there and see how it plays out," Scott Donnelly, CEO of Textron Inc., said on an earnings call last week.

One outlier has been Pittsburgh-headquartered aluminum producer Alcoa Corp., which has major smelting operations in Quebec.

"If there were to be tariffs on Canadian aluminum imports to the U.S., this would represent a threat to U.S. industrial competitiveness," CEO William Oplinger said on an investor call last week.

A 25-per-cent tariff would raise annual costs by US$1.5-billion to US$2-billion on Alcoa's U.S. customers alone, he said.

Flavio Volpe, president of the Canadian Automotive Parts Manufacturers' Association, likened the effect of the proposed tariffs on the auto industry to the Ambassador Bridge blockade in 2022 that briefly halted carmaking from Ontario to Kentucky.

"Nobody has modelled the American President taking aim at American prosperity," he said.

But as U.S. companies begin to reckon with diminished revenues, he anticipates many of them will protest the impact on "the profitability and prosperity of their business."

With a report from Matt Lundy

DeepSeek: Company's AI model believed to be nearly as powerful as U.S. rivals and more efficient

FROM B1

Its parent company, a Chinese hedge fund called High-Flyer, began not as a laboratory devoted to safeguarding humanity from AI like Open AI, but as a business using AI to make bets in the Chinese stock market.

High-Flyer had thrived by capitalizing on a market dominated by China's retail investors, who are known for jumping in and out of stocks impulsively. In 2021, High-Flyer found itself pressured by regulatory crackdowns in China on speculative trading, which authorities in Beijing felt was at odds with their attempts to keep markets calm.

So High-Flyer pursued a new opportunity that it said aligned better with Chinese government priorities: advanced AI.

"We want to do things with greater value and things that go beyond the investment industry, but it has been misinterpreted as AI stock speculation," High-Flyer chief executive officer Lu Zhengzhe told Chinese state media in 2023. "We have set up a new team independent of investment, which is equivalent to a second startup."

DeepSeek was born. As with many other Chinese startups, DeepSeek came at an established market with a different business approach.

DeepSeek's latest model for artificial intelligence is believed to be nearly as powerful as American rivals but far more efficient. Its success suggests that Silicon Valley's AI lead has shrunk. DeepSeek's breakthrough, despite efforts by Washington to limit Chinese access to the advanced chips needed for AI, raises questions about how effective those controls can be long term – although DeepSeek's founder has acknowledged that the chip restrictions are a limitation.

DeepSeek did not rely on making consumer-facing AI products for revenue, and only this month released its first chatbot, which allows anyone to generate text and photos with simple commands. Instead, the company used the money that High-Flyer made from stock trading to bankroll ambitious research. The approach set it apart from U.S. rivals, all of which are ultimately consumer technology companies.

This unconventional approach also allowed DeepSeek to sidestep stringent regulations the Chinese government has placed on AI use by the public. Because its focus was research and selling to businesses who use its model – and, until the release of its chatbot this month, not consumer applications – its early work did not trigger the same government restrictions.

DeepSeek is run by its CEO, Liang Wenfeng, a thin, bespectacled engineer who studied at Zhejiang University in the eastern city of Hangzhou. He has said repeatedly in the few interviews he has given to Chinese media that to catch up with American innovation, Chinese companies must put research before profits. DeepSeek and High-Flyer did not respond to requests for comment.

> DeepSeek did not rely on making consumer-facing AI products for revenue, and only this month released its first chatbot, which allows anyone to generate text and photos with simple commands. Instead, the company used the money that High-Flyer made from stock trading to bankroll ambitious research.

What Chinese technology companies "lack in innovation is certainly not capital, but a lack of confidence and knowledge about how to organize a high density of talent to achieve effective innovation," he said in a widely circulated interview with Chinese tech outlet 36Kr.

Those who have worked with Mr. Liang describe him as a capable manager with a deep technical background, according to interviews and public accounts.

"He's definitely an INTP," said Zihan Wang, a computer engineer who worked on an earlier DeepSeek model, referring to an introspective personality type from the Myers-Briggs test, a popular personality test among young people in China. "INTPs are really good researchers and they have a willingness to explore," Mr. Wang said. "He is not one of those people who wants to control everything."

Mr. Liang was not too bothered with details like project timelines, and occasionally sent thought-provoking research questions to the entire team of researchers, Mr. Wang said. But mostly, Mr. Liang seemed driven to advance the technology and was not focused on profits.

Unlike many Chinese companies, which tend to focus on hiring programmers, Mr. Liang has gained a reputation for employing people from outside of computing. Poets and humanities majors from China's top universities on DeepSeek's staff train the model to write classical Chinese poetry and ace questions taken from the country's difficult college entrance examination.

"Most of the team graduated from the top universities in China," said Yineng Zhang, a lead software engineer at Baseten in San Francisco who works on the SGLang, a project not part of DeepSeek that helps people build on top of DeepSeek's system. "They are very smart and very young."

For years, Chinese tech companies pioneered AI applications used in computer vision, like facial recognition. But OpenAI's release of ChatGPT prompted a reckoning. When no Chinese company immediately released anything comparable, many concluded that American companies had a lead in advanced AI.

In China, computer scientists were determined to prove they could compete. In 2023, many companies in China released their own large language models, the technology that underpins chatbots like ChatGPT.

But making advanced models would require using a large number of chips that would cost hundreds of millions of dollars.

High-Flyer was spending, too. By 2021, it was one of just a handful of Chinese companies that had been able to stockpile more than 10,000 advanced Nvidia A100 chips.

Yet DeepSeek's research gave it a surprising advantage. Last year, it dramatically cut the prices it charged developers who build applications using its model, prompting a price war with larger rivals.

Mr. Wang said there was little discussion of commercial applications for the technology they were building. Instead, he said, the company was focused on making an AI system that could be used by a range of people for many purposes.

"During my time there, we did not talk much about how we make money," Mr. Wang said. "They just focused on making a great foundation model."

NEW YORK TIMES NEWS SERVICE

Appendix E - “Break-Up Compensation Declaration”

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
LIGADO NETWORKS LLC, *et al.*,[1]	)	Case No. 25-10006 (TMH)
Debtors.	)	(Joint Administration Requested)

DECLARATION OF BRUCE MENDELSOHN
IN SUPPORT OF DEBTORS' MOTION FOR ENTRY
OF AN ORDER AUTHORIZING PAYMENT OF THE AST
TRANSACTION BREAK-UP FEE AND BREAK-UP REIMBURSEMENTS

Under 28 U.S.C. § 1746, I, Bruce Mendelsohn, declare as follows under penalty of perjury:

1. I am a Partner and the Global Head of the Financing and Capital Solutions Group at Perella Weinberg Partners L.P. ("PWP"), a financial advisory firm that maintains an office at 767 5th Avenue, New York, New York 10153. I submit this declaration (this "Declaration") in support of the *Debtors' Motion For Entry of An Order Authorizing Payment of the AST Transaction Break-Up Fee* and the Break-Up Reimbursements (the "Break-Up Fee Motion")[2] filed by the above-captioned debtors in possession (the "Debtors").

Qualifications

2. I am a Partner and the Global Head of the Financing and Capital Solutions Group at PWP, which I joined in 2016. PWP is a full-service investment banking firm providing strategic and financial advisory services, including with respect to mergers and acquisitions, capital raising,

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Ligado Networks LLC (3801); ATC Technologies, LLC (N/A); Ligado Networks (Canada) Inc. (N/A); Ligado Networks Build LLC (N/A); Ligado Networks Corp. (N/A); Ligado Networks Finance LLC (N/A); Ligado Networks Holdings (Canada) Inc. (N/A); Ligado Networks Inc. of Virginia (9725); Ligado Networks Subsidiary LLC (N/A); One Dot Six LLC (8763); and One Dot Six TVCC LLC (N/A). The Debtors' headquarters is located at: 10802 Parkridge Boulevard, Reston, Virginia 20191.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Break-Up Fee Motion, the RSA (as defined herein) or the First Day Declaration, as applicable.

and restructuring transactions, across a broad range of industries. PWP and its senior professionals have extensive experience with respect to the reorganization and restructuring of distressed companies, both out of court and in chapter 11 proceedings.

3. I have approximately 35 years of investment banking and capital structure advisory experience assisting companies on a wide range of strategic matters. I have advised companies, creditors, shareholders and other stakeholders with respect to issues relating to chapter 11 plan negotiations, debtor-in-possession financings, cash collateral usage, sale and transaction processes under section 363 of the Bankruptcy Code, and new money recapitalizations, in each case analyzing and evaluating business plans, as well as evaluating, negotiating and structuring DIP financings. Prior to joining PWP, I was a partner at Goldman Sachs and most recently served as Head of the Americas Restructuring Group as part of their U.S. Leveraged Finance team. Prior to working at Goldman Sachs, I worked for UBS and MJ Whitman in restructuring and distressed securities. Prior to that time, I worked at Lehman Brothers. I received a Bachelor of Arts degree from Emory University and an MBA from the Wharton School at the University of Pennsylvania.

4. In addition to working with the Debtors in the above-captioned chapter 11 cases, my experience includes representing companies, boards, creditors, and other stakeholders in a variety of situations across a broad range of industries, including the chapter 11 cases of: American Tire Distributors, Bonanza Creek, Breitburn Energy, Bristow Group, California Resources Corporation, Concordia Pharmaceuticals, Crossmark Holdings, Eco-Bat Technologies, Fieldwood Energy, FTX, Garrett Motion, iHeart Communications, LATAM Airlines, Memorial Production Partners, Ocean Rig, Pacific Drilling, Pacific Sunwear, Sanchez Energy Corporation, Seadrill, Sears Ltd., Video Equipment Rental Corporation, Windstream and 21st Century Oncology. In addition, while at Goldman Sachs, I was involved in the following bankruptcy cases: Bridge

Information Systems, Brothers Gourmet Coffees, Calpine, CRC Communications, Essar Algoma, Focal Communications, General Growth Properties, Lehman Brothers, Network Plus, Nextel International, Orchard Supply, Qwest Communications and 360 Networks.

5. I am authorized to submit this Declaration on behalf of the Debtors. I am being compensated through payments received by PWP as the investment banker proposed to be retained by the Debtors in these cases, and I am not compensated separately for this testimony. Except as otherwise indicated herein, all the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by other PWP professionals involved in advising the Debtors, or information provided to me by the Debtors. If called upon to testify, I could and would testify to the facts set forth herein on that basis.

Reasonableness of the Transaction Protections

6. On January 5, 2025, the Company and certain of its key stakeholders entered into the Restructuring Support Agreement (the "RSA"), which contemplates a restructuring (the "Restructuring") of the Debtors through both a recapitalization of the Debtors' balance sheet and a long term, commercial transaction between the Debtors and AST & Science, LLC ("AST") — a critical step in maximizing the value of the Debtors' assets. The terms of this commercial agreement (the "AST Transaction") are set forth in the binding AST Term Sheet attached to the RSA. The AST Transaction enjoys the overwhelming support of the Company's key stakeholders as more fully set forth in the First Day Declaration.

7. In connection with the Debtors' negotiations with AST, AST conditioned its willingness to enter into a commercial transaction on, among other things, a break-up fee and break-up reimbursements for amounts actually provided to the Debtors prior to entry into an Alternative Commercial Transaction. Following extensive, arm's length negotiations between the

parties, and given the significant value and the benefits that the AST Transaction provides to the Debtors, the Debtors agreed to pay AST the Break-Up Fee upon consummation of any Alternative Commercial Transaction (as defined in the RSA) and the Break-Up Reimbursements following entry into an Alternative Commercial Transaction. It is my view that AST would not have entered into the AST Transaction and the RSA absent the Break-Up Fee and Break-Up Reimbursements. Without AST's commitments, the Debtors could not effectuate the value-maximizing transactions contemplated by the RSA that form the foundation of the Plan supported by the Consenting Stakeholders.

8. In my experience as an investment banker, it is both reasonable and common for a debtor to seek the approval of break-up fees to, among other things, induce the proposed counterparty to commit to a transaction, and compensate the proposed counterparty for the time, risk, and expense associated with committing to a transaction. Considering the fiduciary duties imposed on debtors-in-possession to maximize value for the benefit of all stakeholders, in my experience, I have found break-up fees to be an essential and common tool used in bankruptcy transactions of this type.

9. Prior to entering into the RSA, the Debtors engaged in conversations with several third parties during many months in an effort to find a strategic partner around which it could refocus its business operations and reorganize its capital structure. These conversations were among interested third parties, the Debtors, and in many instances, included Viasat. However, none of those conversations resulted in any actionable proposals from third parties.

10. The Debtors' pre-petition strategic discussions ultimately resulted in the Debtors entering into the AST Transaction, which the Debtors determined, in their business judgment, represented the best transaction available to the Debtors to maximize value. Based on my

participation in, and observation of, the negotiations with AST – which, in my view, were conducted in good faith and on an arm's-length basis – AST was unwilling to enter into the AST Transaction without the Break-Up Fee and the Break-Up Reimbursements. Accordingly, if the Break-Up Fee is not approved by the Court, the Debtors will be unable to secure AST's agreement to consummate the AST Transaction and the RSA.

11. If the Break-Up Fee and Break-Up Reimbursements are not approved, the Debtors risk AST walking from the deal, which would adversely affect the Debtors' estates. The RSA and AST Transaction will protect creditor recoveries, which is dependent on the Debtors' commitment to, and the Court's approval of, the Break-Up Fee and the Break-Up Reimbursements. Notably, the RSA preserves the Debtors' ability to consummate an Alternative Commercial Transaction Proposal because it contains a "fiduciary out" in the event the Debtors receive an Alternative Commercial Transaction Proposal that the Debtors determine constitutes, or is reasonably likely to lead to, a Superior Commercial Transaction Proposal.

12. The AST Transaction is highly complex, multi-faceted, and does not have a fixed, agreed value but instead includes a revenue share component between the Debtors and AST. Given the complexity and range of possible outcomes and potential values attributable to the AST Transaction, the parties heavily negotiated the quantum of the Break-Up Fee. The Break-Up Fee of $200 million is the result of extensive, arm's length negotiations, and is reasonable considering the potential economic value to the Debtors provided under the AST Transaction. It is my professional opinion, based on the transactions I have witnessed during my career, that the amount of the Break-Up Fee is appropriate under the circumstances.

13. The Break-Up Fee should not be assessed in isolation, as it is a critical component of a multi-faceted negotiation that resulted in the value maximizing transactions contemplated by

the RSA. It is my professional opinion, given the facts and circumstances of these chapter 11 cases, that the Break-Up Fee is reasonable and in the best interests of the Debtors' estates for the reasons set forth herein.

14. Given the Debtors' need to consummate a value-maximizing transaction, the Debtors' determination that the AST Transaction represents such a transaction, and the need to provide the Break-Up Fee and the Break-Up Reimbursements to ensure AST's ongoing commitment, I believe that providing the Break-Up Fee and the Break-Up Reimbursements on the terms of the RSA and AST Transaction is in the best interests of the Debtors' estates and is an appropriate exercise of the Debtors' business judgment.

[*Remainder of page intentionally left blank*]

I declare under penalty of perjury that the foregoing is true and correct.

Dated: January 6, 2025

/s/ Bruce Mendelsohn
Bruce Mendelsohn
Partner
Perella Weinberg Partners
Proposed Investment Banker to the Debtors and Debtors-in-Possession

Appendix F - "Supplemental Break-Up Compensation Declarations"

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
LIGADO NETWORKS LLC, *et al.*,[1]	)	Case No. 25-10006 (TMH)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 61**

SUPPLEMENTAL DECALARATION OF BRUCE MENDELSOHN IN SUPPORT OF DEBTORS' MOTION FOR ENTRY OF AN ORDER AUTHORIZING PAYMENT OF THE AST TRANSACTION BREAK-UP FEE AND BREAK-UP REIMBURSEMENTS

Under 28 U.S.C. § 1746, I, Bruce Mendelsohn, declare as follows under penalty of perjury:

1. I am a Partner and the Global Head of the Financing and Capital Solutions Group at Perella Weinberg Partners L.P. ("PWP"), a financial advisory firm that maintains an office at 767 5th Avenue, New York, New York 10153. I submit this supplemental declaration (this "Supplemental Declaration") in support of the *Debtors' Motion For Entry of An Order Authorizing Payment of the AST Transaction Break-Up Fee and the Break-Up Reimbursements* (the "Break-Up Fee Motion")[2] [Docket No. 61] filed by the above-captioned debtors in possession (the

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Ligado Networks LLC (3801); ATC Technologies, LLC (N/A); Ligado Networks (Canada) Inc. (N/A); Ligado Networks Build LLC (N/A); Ligado Networks Corp. (N/A); Ligado Networks Finance LLC (N/A); Ligado Networks Holdings (Canada) Inc. (N/A); Ligado Networks Inc. of Virginia (9725); Ligado Networks Subsidiary LLC (N/A); One Dot Six LLC (8763); and One Dot Six TVCC LLC (N/A). The Debtors' headquarters is located at: 10802 Parkridge Boulevard, Reston, Virginia 20191.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Break-Up Fee Motion, the RSA (as defined herein) or the First Day Declaration, as applicable.

"Debtors") and to supplement the declaration I previously submitted in support of the Break-Up Fee Motion, which is incorporated herein by reference.[3]

2. I am authorized to submit this Supplemental Declaration on behalf of the Debtors. Except as otherwise indicated herein, all the facts set forth in this Supplemental Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by other PWP professionals involved in advising the Debtors, or information provided to me by the Debtors. If called upon to testify, I could and would testify to the facts set forth herein on that basis.

3. As set forth in the Original Declaration, the AST Transaction is highly complex, involves a number of different payment streams to the Debtors, and does not have a fixed value. The Break-Up Fee should not be assessed in isolation, but instead as a critical component of a multi-faceted negotiation that resulted in the value maximizing transactions contemplated by the RSA and endorsed by the Debtors' key stakeholders. I have reviewed relevant break-up and other similar transaction fees approved by courts in this district and as set forth on **Exhibit A** attached hereto. Based on my review of the break-up and other similar transaction fees that have been approved in this district in the past, my experience in transactions in and outside of chapter 11, and given the complexity and range of possible outcomes and potential values attributable to the AST Transaction, it is my professional opinion that the Break-Up Fee is reasonable and provides a material benefit to the Debtors' estates.

4. If the Break-Up Fee is not approved, AST may seek to terminate the RSA, which would adversely affect the Debtors' estates and all stakeholders. As more fully set forth in the

[3] The Declaration of Bruce Mendelsohn In Support of the Debtors' Motion for Entry of an Order Authorizing Payment of the AST Transaction Break-Up Fee and Break-Up Reimbursements [Docket No. 62] (the "Original Declaration").

Original Declaration and considering these factors, I believe the Break-Up Fee is in the best interests of the Debtors' estates and is an appropriate exercise of the Debtors' business judgment.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: January 25, 2025

/s/ Bruce Mendelsohn
Bruce Mendelsohn
Partner
Perella Weinberg Partners
Proposed Investment Banker to the Debtors and Debtors-in-Possession

Exhibit A

Break-Up Fee Precedents[1]

($ in Millions)

Case	Case Number	Petition Date	Total Consideration / Purchase Price	Break-Up Fee	Break-Up Fee as % of Purchase Price	Expense Reimbursement Cap	Total Bid Protection as % of Purchase Price
OYA Renewables Development LLC	24-12574-KBO	Nov-24	$30.00	$0.93	3.10%	$0.50	4.77%
Ultra Safe Nuclear Corp	24-12443-KBO	Oct-24	28.00	1.40	5.00%	NA	5.00%
True Value Co., L.L.C.	24-12337-KBO	Oct-24	153.00	4.59	3.00%	1.53	4.00%
Big Lots, Inc.	24-11967-JKS	Sep-24	762.00	7.50	0.98%	1.50	1.18%
Wheel Pros, LLC	24-11939-JTD	Sep-24	30.00	0.50	1.67%	NA	1.67%
SunPower Corporation	24-11649-CTG	Aug-24	45.00	1.35	3.00%	0.55	4.22%
Casa Systems, Inc.	24-10695-KBO	Apr-24	20.00	0.60	3.00%	0.38	4.88%
NanoString Technologies	24-10160-CTG	Feb-24	220.00	6.60	3.00%	3.30	4.50%
Unconditional Love Inc.	23-11759-153	Oct-23	66.81	2.00	3.00%	0.65	3.97%
Williams Industrial Services Group Inc.	23-10961-BLS	Jul-23	60.00	2.40	4.00%	1.00	5.67%
Plastiq Inc.	23-10671-BLS	May-23	27.50	0.83	3.00%	0.55	5.00%
Structurlam Mass Timber U.S., Inc.	23-10497-CTG	Apr-23	60.00	1.80	3.00%	0.60	4.00%
Independent Pet Partners Holdings, LLC	23-10153-LSS	Feb-23	60.00	0.75	1.25%	0.75	2.50%
Nova Wildcat Shur-Line Holdings, Inc. a/k/a H2 Brands	23-10114-CTG	Jan-23	27.10	0.81	3.00%	0.28	4.01%
Clovis Oncology Inc.	22-11292-JKS	Dec-22	110.00	6.00	5.45%	2.00	7.27%
Median			**$60.00**	**$1.40**	**3.00%**	**$0.65**	**4.22%**
Average			**$113.29**	**$2.54**	**3.03%**	**$1.04**	**4.18%**
High			**$762.00**	**$7.50**	**5.45%**	**$3.30**	**7.27%**
Low			**$20.00**	**$0.50**	**0.98%**	**$0.28**	**1.18%**

Note: (1) Delaware cases since 2022 with a purchase price of $20M or greater

Appendix G - “Revised Break-Up Compensation Order”

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
LIGADO NETWORKS LLC, *et al.*,[1]	)	Case No. 25-10006 (TMH)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 61**

ORDER AUTHORIZING PAYMENT OF THE
AST TRANSACTION BREAK-UP FEE AND BREAK-UP REIMBURSEMENTS

Upon the motion (the "Motion")[2] of the above-captioned Debtors for entry of an order authorizing allowance as a super-priority administrative expense and payment of the Break-Up Fee and Break-Up Reimbursements in connection with the AST Transaction, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* of the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the notice of the Motion and of the opportunity to be heard at the hearing thereon were appropriate

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Ligado Networks LLC (3801); ATC Technologies, LLC (N/A); Ligado Networks (Canada) Inc. (N/A); Ligado Networks Build LLC (N/A); Ligado Networks Corp. (N/A); Ligado Networks Finance LLC (N/A); Ligado Networks Holdings (Canada) Inc. (N/A); Ligado Networks Inc. of Virginia (9725); Ligado Networks Subsidiary LLC (N/A); One Dot Six LLC (8763); and One Dot Six TVCC LLC (N/A). The Debtors' headquarters is located at: 10802 Parkridge Boulevard, Reston, Virginia 20191.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion or the RSA, as applicable.

under the circumstances and that no other notice need be provided; and this Court having reviewed the Motion, the First Day Declaration, and the Mendelsohn Declaration (and any supplements filed with respect thereto), and this Court having reviewed the Objection of the United States Trustee dated January 23, 2025, and such Objection having been withdrawn based on the revisions to this Order as contained herein, and the Court having heard the statements and argument in support of the relief requested at a hearing, if any, before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at any Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY FOUND AND DETERMINED THAT**:

A. The Debtors have articulated good, compelling, sufficient, and sound business reasons for the Court to grant the relief requested in the Motion, including, without limitation, to authorize and approve the Break-Up Fee and the Break-Up Reimbursements.

B. All objections to the relief requested in the Motion that have not been withdrawn, waived or settled as announced to the Court at the hearing or by stipulation filed with the Court are overruled except as otherwise set forth herein.

Findings with Respect to the Break-Up Fee and Break-Up Reimbursements

C. The Debtors have demonstrated and proven that their performance of the obligations related to the RSA and the AST Transaction with respect to the Break-Up Fee and Break-Up Reimbursements are in the best interests of the Debtors, their creditors, their estates, and all parties in interest, and that the foregoing represents a sound exercise of the Debtors' business judgment. The Debtors have articulated good, sufficient, and sound business justifications for performance of the obligations under the RSA, including obligations related to the Break-Up Fee

and Break-Up Reimbursements, and the legal and factual bases set forth in the Motion, the First Day Declaration, and the Mendelsohn Declaration (including the supplement thereto) establish just and sufficient cause to grant the relief requested in the Motion. Namely, among other things, (a) the Break-Up Fee and Break-Up Reimbursements were negotiated by the Debtors, AST, Consenting Stakeholders, and their respective advisors at arms'-length and in good faith; (b) are necessary to ensure that AST will continue to pursue, and, ultimately, consummate the AST Transaction and the RSA; and (c) each is fair, reasonable, and appropriate, including in light of the size, nature, and complexity of the AST Transaction and the RSA and the significant efforts that have been and will continue to be expended by AST in connection therewith.

D. The Break-Up Fee and Break-Up Reimbursements are each approved in their entirety and the Debtors are authorized to pay the Break-Up Fee and Break-Up Reimbursements in accordance with the terms and subject to the conditions set forth herein and in the RSA.

E. Each of the Break-Up Fee and Break-Up Reimbursements (a) is an actual and necessary cost and expense of preserving the Debtors' estates within the meaning of sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code; and (b) commensurate to the real and material benefits conferred upon the Debtors' estates by AST, the AST Transaction and the RSA. The Break-Up Fee and Break-Up Reimbursements were material inducements for, and conditions of, AST's execution of the RSA. AST is unwilling to remain obligated to consummate the AST Transaction or otherwise be bound under the RSA absent approval of the Break-Up Fee and Break-Up Reimbursements. Further, each of the Break-Up Fee and Break-Up Reimbursements was negotiated by the parties at arm's length and in good faith by the Debtors and AST.

F. The Break-Up Reimbursements constitute an extension of credit to the Debtors and shall have the status of an allowed super-priority administrative expense claim against the Debtors'

estates pursuant to sections 105(a), 503(b) and 507(b) of the Bankruptcy Code, with priority over all other administrative expense claims of the kind specified in section 503(b) of the Bankruptcy Code, including any claims granted under the *Interim Order (I) Authorizing Debtors to (A) Obtain Postpetition Financing and (B) Use Cash Collateral, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Granting Adequate Protection; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief* [D.I. 104] (together with any final order granting similar relief, the "DIP Order"); *provided*, *however*, that the Break-Up Reimbursements shall each be subject to the Carve-Out (as defined in the DIP Order).

G. The Break-Up Fee shall have the status of an allowed administrative expense claim against the Debtors' estates pursuant sections 105(a), 503(b) and 507(b) of the Bankruptcy Code, *pari passu* with all other administrative claims against the Debtors; *provided*, *however*, that DIP lenders have agreed (and, therefore, it is hereby ordered) that any administrative claims or super-priority administrative claims granted or arising under the DIP Order shall be subordinated fully and in all respects to the Break-Up Fee and the Break-Up Reimbursements; *provided*, *further*, that the Break-Up Fee shall be subject to the Carve-Out (as defined in the DIP Order).

IT IS HEREBY ORDERED THAT:

1. The Relief requested in this Motion is GRANTED.

2. The Break-Up Fee and the Break-Up Reimbursements, as set forth in the RSA, are hereby approved in their entirety and shall be payable by the Debtors in accordance with, and subject to the terms of the RSA and this Order, as applicable, without further order of the Court, subject to the following with respect to payment of the Break-Up Fee:

   a. In the event any Party terminates the RSA during a time when the Debtors could not have terminated the RSA pursuant to Section 10.04(f), the

Company shall only be required to pay the Break-Up Fee if the Company subsequently consummates a Qualifying Transaction (as defined in Section 15.01(c)(ii) of the RSA) that constitutes a higher or better transaction relative to the AST Transaction. For the sake of clarity, the prior sentence shall not apply if the Debtors validly terminate the RSA pursuant to Section 10.04(f) of the RSA, or any Party validly terminates the RSA at a time when the Debtors could have terminated the RSA in accordance with Section 10.04(f) of the RSA, in each case to accept a Superior Commercial Transaction Proposal.

b. In the event the RSA is validly terminated solely due to a failure of the Parties to receive applicable regulatory approvals for the AST Transaction, the Break-Up Fee shall only be payable if all other requirements with respect to payment of the Break-Up Fee are satisfied and the Debtors subsequently consummate a Qualifying Transaction that also constitutes a higher or better transaction relative to the AST Transaction.

3. The conditions and requirements explicitly set forth herein are intended to supplement all other conditions and requirements set forth in the RSA with respect to payment of the Break-Up Fee which are unchanged unless explicitly set forth herein.

4. The Debtors shall be obligated to pay the Break-Up Reimbursements pursuant to Section 15.02 of the RSA under the circumstances described therein.

5. Nothing in this Order shall affect any party's rights or obligations with respect to the Call Option (as defined in Section 17 of the RSA).

6. The Debtors are authorized and directed to pay the Break-Up Fee and the Break-Up Reimbursements, if and when due, in accordance with the terms of the RSA and this Order, without further order of this Court.

7. AST shall not be required to file any interim or final application with the Court as a condition precedent to the Debtors' obligation to pay the Break-Up Fee and the Break-Up Reimbursements.

8. The Debtors' obligations to pay the Break-Up Fee and the Break-Up Reimbursements shall not be discharged, modified, or otherwise affected by any plan of reorganization in these Chapter 11 cases.

9. The Debtors' obligations to pay the Break-Up Fee and the Break-Up Reimbursements shall not be subject to avoidance under sections 542, 547 or 548 of the Bankruptcy Code.

10. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

11. To the extent payable in accordance with this Order, the Break-Up Reimbursements constitute an extension of credit to the Debtors and shall constitute an allowed super-priority administrative expense claim against the Debtors' estates pursuant to sections 105(a), 503(b) and 507(b) of the Bankruptcy Code, with priority over all other administrative expense claims of the kinds specified in sections 503(b) and 507(b) of the Bankruptcy Code, including any claims granted under the DIP Order, including the DIP Superpriority Claims, but subject to the Carve-Out.

12. To the extent payable in accordance with this Order, the Break-Up Fee shall constitute an allowed administrative expense claim against the Debtors' estates pursuant to

sections 105(a), 503(b) and 507(b) of the Bankruptcy Code, with priority over all administrative claims and super-priority administrative claims and any other claims of any kind or nature granted under the DIP Order, including the DIP Superpriority Claims, but subject to the Carve-Out.

13. Notwithstanding any provision in the Bankruptcy Rules to the contrary, (i) the terms of this Order shall be immediately effective and enforceable upon its entry, (ii) the Debtors are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order and (iii) the Debtors may, without further delay, take any action and perform any act authorized under this Order.

14. The automatic stay set forth in section 362 of the Bankruptcy Code is modified, to the extent necessary, to permit the delivery of any notices of termination of the RSA and the termination of the RSA, if applicable, pursuant to its terms.

15. Without limiting the approval of each of the Break-Up Fee and the Break-Up Reimbursements, including priority thereof of all claims arising under the DIP Order, nothing in this final Order constitutes (a) an admission as to the validity of any other claim against the Debtors; (b) a waiver of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any other claim or interest under applicable law or nonbankruptcy law; (c) a promise or requirement to pay any other claim; (d) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law; (e) a request for or granting of approval for assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code to the extent such assumption is unrelated to the applicable transaction; or (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates.

16. In the event of any inconsistency between the terms of the DIP Order and the terms of this Order, the terms of this Order shall control.

17. The provisions of this Order do not address or otherwise constitute an adjudication with respect to the "Break-Up Fee" referenced and defined in the AST Term Sheet (under the heading "Takings Litigation").

18. Notice of the Motion as described therein shall be deemed good and sufficient notice of the Motion, and the requirements of Bankruptcy Rule 6004(a) are satisfied by such notice.

19. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Thomas M. Horan

Dated: January 27th, 2025
Wilmington, Delaware

THOMAS M. HORAN
UNITED STATES BANKRUPTCY JUDGE

Appendix H - "Final DIP Order"

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
LIGADO NETWORKS LLC, *et al*.,[1]	)	Case No. 25-10006 (TMH)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket Nos. 4, 104**

FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) OBTAIN POSTPETITION FINANCING AND (B) USE CASH COLLATERAL; (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS; (III) GRANTING ADEQUATE PROTECTION; (IV) MODIFYING THE AUTOMATIC STAY; AND (V) GRANTING RELATED RELIEF

Upon the motion (the "DIP Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") in the above-captioned chapter 11 cases and pursuant to sections 105, 361, 362, 363, 364, 365, 503, 506, and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"), rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rules 2002-1, 4001-1(b), 4001-2, 9006-1, and 9013-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), seeking entry of an interim order (together with all annexes, schedules, and exhibits thereto, the "Interim Order") and

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Ligado Networks LLC (3801); ATC Technologies, LLC (N/A); Ligado Networks (Canada) Inc. (N/A); Ligado Networks Build LLC (N/A); Ligado Networks Corp. (N/A); Ligado Networks Finance LLC (N/A); Ligado Networks Holdings (Canada) Inc. (N/A); Ligado Networks Inc. of Virginia (9725); Ligado Networks Subsidiary LLC (N/A); One Dot Six LLC (8763); and One Dot Six TVCC LLC (N/A). The Debtors' headquarters is located at: 10802 Parkridge Boulevard, Reston, Virginia 20191.

[2] Capitalized terms used but not immediately defined herein shall have the meanings ascribed to such terms elsewhere in this Final Order or in the DIP Loan Agreement, as applicable.

this final order (together with all annexes, schedules, and exhibits hereto, the "Final Order," and together with the Interim Order, the "DIP Orders"):

(1) authorizing Ligado Networks LLC, in its capacity as borrower (the "Borrower") to obtain postpetition financing through a superpriority senior secured term loan credit facility (the "DIP Facility") in the aggregate initial principal amount of up to $939,133,507 (the "DIP Loans") (which may be increased by the payment of fees, interest, and other amounts in kind and additional DIP New Money Loans provided by DIP Lenders that provided (or whose affiliate or Approved Fund provided) greater than their pro rata share of the DIP New Money Loans as more fully set forth in Section 2.01(d) of the DIP Loan Agreement), consisting of:

a) ***DIP New Money Loans***. A new money superpriority senior secured multiple draw term loan credit facility in the aggregate initial principal amount of up to $441,999,891 (which may be increased by the payment of fees, interest, and other amounts in kind) (the "Commitments," and the loans issued thereunder, the "DIP New Money Loans"), of which (i) up to $12,000,000 of such Commitments (the "DIP First Funding Commitments," and the DIP New Money Loans issued thereunder, the "DIP First Funding Loans") was made available to the Borrower on the DIP First Funding Date, following the entry of the Interim Order, (ii) up to $326,999,891 of such Commitments (the "DIP Second Funding Commitments," and the DIP New Money Loans issued thereunder, the "DIP Second Funding Loans") shall be made available to the Borrower on the DIP Second Funding Date, following the entry of this Final Order, which shall be used to repay in full in cash on the DIP Second Funding Date, in accordance with the Approved Budget and the DIP Loan Documents, the 1L First Out Loan Obligations, with any Excess DIP Second Funding Loan Proceeds returned to the Lenders providing such DIP Second Funding Loans on a pro rata basis), and (iii) up to $103,000,000 of such Commitments (the "DIP DDTL Commitments," and the DIP New Money Loans issued thereunder, the "DIP Delayed Draw Term Loans") shall be made available to the Borrower in three draws on the applicable DIP DDTL Funding Date, following the entry of this Final Order, in each case in accordance with the terms and conditions set forth in the DIP Loan Agreement and all other terms and conditions of the DIP Loan Documents; and

b) ***Roll-Up Loans***. A superpriority senior secured term loan credit facility (the loans issued thereunder, the "Roll-Up Loans") in the aggregate initial principal amount of at least $441,999,891 (which may be increased to up to an aggregate initial principal amount of $497,133,616 by additional Roll-Up Loans provided by DIP Lenders that provided (or whose affiliate or Approved Fund provided) greater than their pro rata share of the DIP New Money Loans as more fully set forth in Section 2.01(d) of the DIP Loan Agreement), whereby the relevant 1L Debt Obligations (other than 1L First Out Loan Obligations) shall be deemed fully funded and converted into and exchanged for Roll-Up Loans upon entry of this Final Order, and subject to the challenge rights set forth in paragraph 27 hereof, in each case in accordance with the terms and conditions set forth in the DIP Loan Agreement and all other terms and conditions of the DIP Loan Documents;

(2) authorizing the Borrower and the guarantors party thereto (the "Guarantors," and together with the Borrower, the "Loan Parties") to execute, deliver, and perform under that certain Senior Secured Super-Priority Debtor-In-Possession Loan Agreement dated as of January 5, 2025, by and among the Borrower, each of the Guarantors, each of the lenders (the "DIP Lenders") party thereto, and U.S. Bank Trust Company, National Association, as administrative agent (the "DIP Agent," and together with the DIP Lenders, the "DIP Secured Parties") attached to the Interim Order as **Exhibit 1** (as may be amended, restated, supplemented, waived, or otherwise modified from time to time in accordance with the terms thereof and of the DIP Orders, the "DIP Loan Agreement"), along with any other agreements, instruments, pledge agreements, guarantees, security agreements, intellectual property security agreements, control agreements, escrow agreements, instruments, notes, and documents executed in connection therewith (each as may be amended, restated, supplemented, waived, or otherwise modified from time to time in accordance with the terms thereof and of the DIP Orders, and collectively with the DIP Loan Agreement, the "DIP Loan Documents");

(3) authorizing the Borrower to incur, and for the Guarantors to guarantee on an unconditional joint and several basis, the principal, interest, fees, costs, expenses, obligations (whether contingent or otherwise) and all other amounts (including, without limitation, all Obligations (as defined in the DIP Loan Agreement)), as and when due and payable under the DIP Loan Documents (the "DIP Obligations");

(4) authorizing the Loan Parties to perform such other and further acts as may be necessary or desirable in connection with the DIP Orders, the DIP Loan Documents, and the transactions contemplated hereby and thereby;

(5) granting to the DIP Agent, for the benefit of the DIP Secured Parties, and authorizing the Loan Parties to incur, the DIP Liens, as applicable, on all DIP Collateral, in each case, subject to the relative priorities set forth herein and on the terms hereof;

(6) granting to the DIP Agent, for the benefit of the DIP Secured Parties, and authorizing the Loan Parties to incur, allowed superpriority administrative expense claims against each of the Loan Parties, on a joint and several basis, in respect of all Obligations, in each case, in accordance with and subject to the Carve Out, the AST Break-Up Fee (if any), and the Administration Charge[3] and the terms hereof;

(7) authorizing the Loan Parties' use of Prepetition Collateral, including Cash Collateral, as well as the proceeds of the DIP New Money Loans (the "DIP Proceeds"), in each case subject to the terms and conditions set forth in this Final Order and the DIP Loan Documents;

[3] "Administration Charge" means the superpriority charge over Canadian Collateral granted by the CCAA Court to secure payment of the fees and disbursements of Canadian counsel to the Debtors, the Information Officer and the Information Officer's counsel, the quantum of which shall be satisfactory to the Administrative Agent.

(8) granting adequate protection as set forth herein to the Prepetition Secured Parties to the extent of any Diminution in Value of their interests in the Prepetition Collateral, including Cash Collateral;

(9) modifying or vacating the automatic stay imposed by section 362 of the Bankruptcy Code or otherwise to the extent necessary to implement and effectuate the terms and provisions of this Final Order and the DIP Loan Documents;

(10) waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Final Order;

(11) effective upon entry of this Final Order, authorizing the Loan Parties to waive (a) their right to surcharge the DIP Collateral and/or Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code and (b) any "equities of the case" exception under section 552(b) of the Bankruptcy Code;

(12) effective upon entry of this Final Order, waiving the equitable doctrine of "marshaling" and other similar doctrines with respect to (a) the DIP Collateral, for the benefit of any party other than the DIP Secured Parties and (b) the Prepetition Collateral, for the benefit of any party other than the Prepetition Secured Parties, subject to the Carve Out and the AST Break-Up Fee (if any);

(13) providing for the immediate effectiveness of this Final Order; and

(14) granting related relief.

The interim hearing on the DIP Motion (the "Interim Hearing"), pursuant to Bankruptcy Rule 4001, having been held by this Court on January 7, 2025, and the Court having entered the Interim Order on January 8, 2025, and the Court having considered the DIP Motion, the DIP Loan Documents, the *Declaration of Bruce Mendelsohn in Support of Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Use Cash Collateral; (II) Granting Liens and Superpriority Administrative Expense Claims; (III) Granting Adequate Protection; (IV) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing; and (V) Granting Related Relief* [Docket No. 6] (the "DIP Declaration"), the *Declaration of Douglas Smith, Chief Executive Officer of Ligado Networks LLC, in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 2] (the "First Day Declaration"), and notice of a final hearing(the "Final Hearing"), if necessary, having been given in accordance with Bankruptcy

Rules 2002, 4001(b), (c), and (d), and all applicable Local Bankruptcy Rules; and all objections, if any, to the relief requested in the Motion having been withdrawn or resolved, in advance of the Final Hearing; and it appearing that approval of the relief requested in the Motion is fair and reasonable, and is essential for the continued operation of the Debtors' businesses and the preservation of the value of the Debtors' assets; and it appearing that the Debtors' entry into the DIP Loan Agreement and the other DIP Loan Documents is a sound and prudent exercise of the Debtors' business judgment; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING AND THE FINAL HEARING (IF NECESSARY), THIS COURT MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:[4]

A. Petition Date. On January 5, 2025 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (this "Court") commencing these chapter 11 cases. On January 7, 2025, this Court entered an order approving the joint administration of these chapter 11 cases.

B. Debtors-in-Possession. The Debtors continue to manage and operate their businesses and properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in any of these chapter 11 cases.

C. Committee Formation. As of the date hereof, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") has not yet appointed an official

[4] The findings and conclusions set forth herein constitute the Bankruptcy Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

committee of unsecured creditors in the chapter 11 cases (a "Committee") pursuant to section 1102 of the Bankruptcy Code.

D. Jurisdiction and Venue. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue for the chapter 11 cases and proceedings with respect to the Motion is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

E. Bases for Relief. The statutory and legal predicates for the relief sought herein are sections 105, 361, 362, 363, 364, 365, 503, 506, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004, and 9014, and Local Rules 2002-1, 4001-1(b), 4001-2, 9006-1, and 9013-1.

F. Notice. Notice of the Motion and the Final Hearing has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

G. Debtors' Stipulations. Without prejudice to the rights of any party other than the Debtors (but subject to the rights and limitations contained in Paragraph 27 below) the Debtors admit, stipulate, acknowledge, and agree as follows:

(a) 1L Notes.

(i) 1L Notes Indenture. Pursuant to that certain Indenture, dated as of October 23, 2020 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified from time to time, the "1L Notes Indenture" and, collectively with all other First Lien Notes Documents (as defined in the 1L Notes Indenture) and any other agreements and documents executed or delivered in connection therewith, each as may be amended, restated, amended and restated, supplemented, waived, or otherwise modified from time to time, the "1L Notes Documents") among Ligado Networks LLC ("Ligado"), as issuer (in such capacity, the "1L Notes Issuer"), the guarantors party thereto the guarantors party thereto (in such capacities, the "1L Notes Guarantors" and, together with the 1L Notes Issuer, the "1L Notes Obligors"), and U.S. Bank National Association, as trustee (in such capacity, the "1L Notes Trustee"), Ligado issued $2.85 billion aggregate principal amount of 15.5% PIK Senior Secured First Lien Notes due 2023 (the "1L Notes" and the holders of the 1L Notes, the "1L Noteholders");

(ii) 1L Notes Obligations. As of the Petition Date, the 1L Notes Obligors were justly and lawfully indebted and liable to the 1L Notes Secured Parties (as defined below) in an aggregate principal amount of $5,491,770,702 (together with accrued and unpaid interest thereon, including capitalized interest, plus, as applicable, all other fees, costs, and expenses, indemnification obligations, guarantee obligations, and other obligations of the 1L Lien Notes Obligors to the 1L Notes Secured Parties that have accrued as of the Petition Date in connection with the 1L Notes Documents, the "1L Notes Obligations");

(iii) 1L Notes Liens. As more fully set forth in the 1L Notes Documents, prior to the Petition Date, the 1L Notes Obligors granted to U.S. Bank National Association, in its capacity as collateral trustee (in such capacity, the "1L Notes Collateral Trustee" and, collectively with the 1L Noteholders and the 1L Notes Trustee, the "1L Notes Secured Parties"), for the benefit of itself and the other 1L Notes Secured Parties, security interests in and continuing liens (the "1L Notes Liens") in all Collateral (as defined in the 1L Notes Documents but, for purposes of this Final Order, the "1L Notes Collateral");

(iv) Validity, Perfection, and Priority of 1L Notes Obligations. The Debtors acknowledge and agree that, as of the Petition Date, (a) the 1L Notes Liens were valid, binding, enforceable, non-avoidable, and properly perfected liens on the 1L Notes Collateral granted to, or for the benefit of, the 1L Notes Secured Parties for fair consideration and reasonably equivalent value, (b) the 1L Notes Liens were senior in priority over any and all other liens on the 1L Notes Collateral, subject only to (i) the 1L Loan Liens (as defined below), which are secured on a *pari passu* basis with the 1L Notes Liens (*provided* that, for the avoidance of doubt, the 1L First Out Loan Obligations are senior with respect to payment priority in accordance with the First Lien Intercreditor Agreement) and (ii) certain liens senior by operation of law or otherwise permitted by the 1L Notes Documents (solely to the extent any such liens were valid, non-avoidable, and senior in priority to the 1L Notes Liens as of the Petition Date and properly perfected prior to the Petition Date or perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code, in this clause (ii), the "1L Notes Permitted Prior Liens"), (c) the 1L Notes Obligations constitutes legal, valid, binding, and non-avoidable obligations of the 1L Notes Obligors enforceable in accordance with the terms of the applicable 1L Notes Documents, (d) no offsets, recoupments, challenges, objections, defenses, claims, or counterclaims of any kind or nature to any of the 1L Notes Liens or 1L Notes Obligations exist, and no portion of the 1L Notes Liens or 1L Notes Obligations are subject to any challenge or defense, including avoidance, disallowance, disgorgement, recharacterization, or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law, and (e) the Debtors waive, discharge, and release any right to challenge any of the 1L Notes Obligations, the priority of the 1L Notes Obligors' obligations thereunder, and the validity, priority, enforceability, seniority, perfection, or extent of the 1L Notes Liens.

(b) 1L Loans.

(i) 1L Loan Agreement. Pursuant to that certain 1L Loan Agreement, dated as of December 23, 2022 (as amended, restated, amended and restated,

supplemented, waived, or otherwise modified from time to time, the "1L Loan Agreement", collectively with all other Loan Documents (as defined in the 1L Loan Agreement) and any other agreements and documents executed or delivered in connection therewith, each as may be amended, restated, amended and restated, supplemented, waived, or otherwise modified from time to time, the "1L Loan Documents", and the 1L Loan Documents together with the 1L Notes Documents, the "1L Debt Documents") among Ligado, as borrower (in such capacity, the "1L Loan Borrower"), the guarantors party thereto (in such capacities, the "1L Loan Guarantors" and, together with the 1L Loan Borrower, the "1L Loan Obligors"), the lenders party thereto (in such capacities, the "1L Loan Lenders"), U.S. Bank Trust Company, National Association, as administrative agent (in such capacity, the "1L Loan Administrative Agent"), and U.S. Bank Trust Company, National Association, as collateral agent (in such capacity, the "1L Loan Collateral Agent" and, together with the 1L Loan Administrative Agent, the "1L Loan Agents", and the 1L Loan Agents together with the 1L Loan Lenders, the "1L Loan Secured Parties", and the 1L Loan Secured Parties together with the 1L Notes Secured Parties, the "1L Secured Parties"), the 1L Loan Lenders provided term loans to Ligado pursuant to the 1L Loan Documents;

(ii) 1L Loan Obligations. As of the Petition Date, the 1L Loan Obligors were justly and lawfully indebted and liable to the 1L Loan Secured Parties in an aggregate principal amount of (i) $122,303,734 in term loans that are secured on a *pari passu* basis with the 1L Notes (together with accrued and unpaid interest thereon, including capitalized interest, plus, as applicable, all other fees, costs, and expenses, indemnification obligations, guarantee obligations, and other obligations of the 1L Loan Obligors to the applicable 1L Loan Secured Parties that have accrued as of the Petition Date in connection with the 1L Loan Documents, the "1L Pari Loan Obligations") and (ii) $319,471,010 in term loans that are secured on a *pari passu* basis with the 1L Notes but are "first out" in payment priority pursuant to the First Lien Intercreditor Agreement (as defined below) (together with accrued and unpaid interest thereon, including capitalized interest, plus, as applicable, all other fees, costs, and expenses, indemnification obligations, guarantee obligations, and other obligations of the 1L Loan Obligors to the applicable 1L Loan Secured Parties that have accrued as of the Petition Date in connection with the 1L Loan Documents, the "1L First Out Loan Obligations", together with the 1L Pari Loan Obligations, the "1L Loan Obligations", and, together with the 1L Notes Obligations and the 1L Pari Loan Obligations, the "1L Debt Obligations");

(iii) 1L Loan Liens. As more fully set forth in the 1L Loan Documents, prior to the Petition Date, the 1L Loan Obligors granted to the 1L Collateral Agent, for the benefit of itself and the other 1L Loan Secured Parties, security interests in and continuing liens (the "1L Loan Liens") in all Collateral (as defined in the 1L Loan Documents but, for purposes of this Final Order, the "1L Loan Collateral"); and

(iv) Validity, Perfection, and Priority of 1L Loan Liens and 1L Loan Obligations. The Debtors acknowledge and agree that, as of the Petition Date, (a) the 1L Loan Liens were valid, binding, enforceable, non-avoidable, and properly perfected liens on the 1L Loan Collateral granted to, or for the benefit of, the 1L Loan Secured Parties for fair consideration and reasonably equivalent value, (b) the 1L Loan Liens were senior in

priority over any and all other liens on the 1L Loan Collateral, subject only to the (i) 1L Notes Liens, which are secured on a *pari passu* basis with the 1L Loan Liens (*provided* that, for the avoidance of doubt, the 1L First Out Loan Obligations are senior with respect to payment priority in accordance with the First Lien Intercreditor Agreement) and (ii) certain liens senior by operation of law or otherwise permitted by the 1L Loan Documents (solely to the extent any such liens were valid, non-avoidable, and senior in priority to the 1L Loan Liens as of the Petition Date and properly perfected prior to the Petition Date or perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code, this clause (ii), the "1L Loan Permitted Prior Liens"), (c) the 1L Loan Obligations constitute legal, valid, binding, and non-avoidable obligations of the 1L Loan Obligors enforceable in accordance with the terms of the applicable 1L Loan Documents, (d) no offsets, recoupments, challenges, objections, defenses, claims, or counterclaims of any kind or nature to any of the 1L Loan Liens or 1L Loan Obligations exist, and no portion of the 1L Loan Liens or 1L Loan Obligations is subject to any challenge or defense, including avoidance, disallowance, disgorgement, recharacterization, or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law, and (e) the Debtors waive, discharge, and release any right to challenge any of the 1L Loan Obligations, the priority of the 1L Loan Obligors' obligations thereunder, and the validity, priority, enforceability, seniority, perfection, or extent of the 1L Loan Liens.

(c) 1.5L Loans.

(i) 1.5L Loan Agreement. Pursuant to that certain 1.5 Lien Loan Agreement, dated as of May 27, 2020 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified from time to time, the "1.5L Loan Agreement" and, collectively with all other Loan Documents (as defined in the 1.5L Loan Agreement) and any other agreements and documents executed or delivered in connection therewith, each as may be amended, restated, amended and restated, supplemented, waived, or otherwise modified from time to time, the "1.5L Loan Documents") among Ligado, as borrower (in such capacity, the "1.5L Loan Borrower"), the guarantors party thereto (in such capacities, the "1.5L Loan Guarantors" and, together with the 1.5L Loan Borrower, the "1.5L Loan Obligors"), the lenders party thereto (in such capacities, the "1.5L Loan Lenders"), Jefferies Finance LLC, as administrative agent (in such capacity, the "1.5L Loan Administrative Agent"), and U.S. Bank Trust Company, National Association, as successor collateral agent (in such capacity, the "1.5L Loan Collateral Agent" and, together with the 1.5L Loan Administrative Agent, the "1.5L Loan Agents" and the 1.5L Loan Agents together with the 1.5L Loan Lenders, the "1.5L Loan Secured Parties"), the 1.5L Loan Lenders provided term loans to Ligado pursuant to the 1.5L Loan Documents;

(ii) 1.5L Loan Obligations. As of the Petition Date, the 1.5L Loan Obligors were justly and lawfully indebted and liable to the 1.5L Loan Secured Parties in an aggregate principal amount of $591,504,126 (together with accrued and unpaid interest thereon, including capitalized interest, plus, as applicable, all other fees, costs, and expenses, indemnification obligations, guarantee obligations, and other obligations of the 1.5L Loan Obligors to the 1.5L Loan Secured Parties that have accrued as of the Petition Date in connection with the 1.5L Loan Documents, the "1.5L Loan Obligations");

(iii) 1.5L Loan Liens. As more fully set forth in the 1.5L Loan Documents, prior to the Petition Date, the 1.5 Lien Obligors granted to the 1.5 Lien Collateral Agent, for the benefit of itself and the other 1.5L Loan Secured Parties, security interests in and continuing liens (the "1.5L Loan Liens") in all Collateral (as defined in the 1.5L Loan Documents but, for purposes of this Final Order, the "1.5L Loan Collateral"); and

(iv) Validity, Perfection, and Priority of 1.5L Loan Liens and 1.5L Loan Obligations. The Debtors acknowledge and agree that, as of the Petition Date, (a) the 1.5L Loan Liens were valid, binding, enforceable, non-avoidable, and properly perfected liens on the 1.5L Loan Collateral granted to, or for the benefit of, the 1.5 Lien Secured Parties for fair consideration and reasonably equivalent value, (b) the 1.5L Loan Liens were senior in priority over any and all other liens on the 1.5L Loan Collateral, subject only to (i) the 1L Notes Permitted Prior Liens (if any), the 1L Loan Permitted Prior Liens (if any), the 1L Notes Liens, the 1L Loan Liens, and (ii) certain liens senior by operation of law or otherwise permitted by the 1.5L Loan Documents (solely to the extent any such liens were valid, non-avoidable, and senior in priority to the 1.5L Loan Liens as of the Petition Date and properly perfected prior to the Petition Date or perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code, this clause (ii), the "1.5L Loan Permitted Prior Liens"), (c) the 1.5L Loan Obligations constitutes legal, valid, binding, and non-avoidable obligations of the 1.5L Loan Obligations enforceable in accordance with the terms of the applicable 1.5L Loan Documents, (d) no offsets, recoupments, challenges, objections, defenses, claims, or counterclaims of any kind or nature to any of the 1.5L Loan Liens or 1.5L Loan Obligations exist, and no portion of the 1.5L Loan Liens or 1.5L Loan Obligations is subject to any challenge or defense, including avoidance, disallowance, disgorgement, recharacterization, or, except as forth in the Prepetition Intercreditor Agreements (as defined below), subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law, and (e) the Debtors waive, discharge, and release any right to challenge any of the 1.5L Loan Obligations, the priority of the 1.5 Lien Obligors' obligations thereunder, and the validity, priority, enforceability, seniority, perfection, or extent of the 1.5L Loan Liens.

(d) 2L Notes.

(i) 2L Notes Indenture. Pursuant to that certain Indenture, dated as of October 23, 2020 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified from time to time, the "2L Notes Indenture" and, collectively with all other Second Lien Documents (as defined in the 2L Notes Indenture) and any other agreements and documents executed or delivered in connection therewith, each as may be amended, restated, amended and restated, supplemented, waived, or otherwise modified from time to time, the "2L Notes Documents" and, collectively with the 1L Notes Documents, the 1L Loan Documents and the Prepetition 1.5 Lien Documents, the "Prepetition Loan/Notes Documents") among Ligado, as issuer (in such capacity, the "2L Notes Issuer"), the guarantors party thereto (in such capacities, the "2L Notes Guarantors" and, together with the 2L Notes Issuer, the "2L Notes Obligors"), and Wilmington Savings Fund Society, FSB, as trustee (as successor in interest to U.S. Bank National Association)

(in such capacity, the "2L Notes Trustee" and, together with the 1L Notes Trustee, the 1L Loan Agents, and the 1.5L Loan Agents, the "Prepetition Secured Party Representatives"), Ligado issued $1.0 billion aggregate principal amount of 17.5% PIK Senior Secured Second Lien Notes due 2024 at an issue price of 75% of par value (the "2L Notes" and the holders of the 2L Notes, the "2L Noteholders");

(ii) 2L Notes Obligations. As of the Petition Date, the 2L Notes Obligors were justly and lawfully indebted and liable to the 2L Notes Secured Parties (as defined below) in an aggregate principal amount of $2,050,029,494 (together with accrued and unpaid interest thereon, including capitalized interest, plus, as applicable, all other fees, costs, and expenses, indemnification obligations, guarantee obligations, and other obligations of the 2L Notes Obligors to the 2L Notes Secured Parties that have accrued as of the Petition Date in connection with the 2L Notes Documents, the "2L Notes Obligations" and, collectively with the 1L Notes Obligations, the 1L Loan Obligations and the 1.5L Loan Obligations, the "Prepetition Secured Obligations");

(iii) 2L Notes Liens. As more fully set forth in the 2L Notes Documents, prior to the Petition Date, the 2L Notes Obligors granted to U.S. Bank National Association, in its capacity as collateral trustee (in such capacity, the "2L Notes Collateral Trustee" and, collectively with the 2L Noteholders and the 2L Notes Trustee, the "2L Notes Secured Parties" and, collectively with the 1L Notes Secured Parties, the 1L Loan Secured Parties, and the 1.5L Loan Secured Parties, the "Prepetition Secured Parties"), for the benefit of itself and the other 2L Notes Secured Parties, security interests in and continuing liens (the "2L Notes Liens" and, collectively with the 1L Notes Liens, the 1L Loan Liens and the 1.5L Loan Liens, the "Prepetition Liens") in all Collateral (as defined in the 2L Notes Documents but, for purposes of this Final Order, the "2L Notes Collateral," and together with the 1L Loan Collateral, the 1L Notes Collateral, and the 1.5L Loan Collateral, the "Prepetition Collateral"); and

(iv) Validity, Perfection, and Priority of 2L Notes Liens and 2L Notes Obligations. The Debtors acknowledge and agree that, as of the Petition Date, (a) the 2L Notes Liens were valid, binding, enforceable, non-avoidable, and properly perfected liens on the 2L Notes Collateral granted to, or for the benefit of, the 2L Notes Secured Parties for fair consideration and reasonably equivalent value, (b) the 2L Notes Liens were senior in priority over any and all other liens on the 2L Notes Collateral, subject only to the (i) 1L Notes Permitted Prior Liens (if any), the 1L Loan Permitted Prior Liens (if any), the 1L Notes Liens, the 1L Loan Liens, the 1.5L Loan Permitted Prior Liens (if any), the 1.5L Loan Liens, and (ii) certain liens senior by operation of law or otherwise permitted by the 2L Notes Documents (solely to the extent any such liens were valid, non-avoidable, and senior in priority to the 2L Notes Liens as of the Petition Date and properly perfected prior to the Petition Date or perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code, this clause (ii), the "2L Notes Permitted Prior Liens" and, collectively with the 1L Notes Permitted Prior Liens, the 1L Loan Permitted Prior Liens and the 1.5L Loan Permitted Prior Liens, the "Prepetition Permitted Prior Liens"), (c) the 2L Notes Obligations constitutes legal, valid, binding, and non-avoidable obligations of the 2L Notes Obligors enforceable in accordance with the terms of the applicable 2L Notes Documents, (d) no offsets, recoupments, challenges, objections,

defenses, claims, or counterclaims of any kind or nature to any of the 2L Notes Liens or 2L Notes Obligations exist, and no portion of the 2L Notes Liens or 2L Notes Obligations is subject to any challenge or defense, including avoidance, disallowance, disgorgement, recharacterization, or, except as set forth in the Prepetition Intercreditor Agreements, subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law, and (e) the Debtors waive, discharge, and release any right to challenge any of the 2L Notes Obligations, the priority of the 2L Notes Obligors' obligations thereunder, and the validity, priority, enforceability, seniority, perfection, or extent of the 2L Notes Liens securing the 2L Notes Obligations.

(e) Boeing Liens. Ligado is party to that certain contract between MSV LP (as predecessor in interest to Ligado) and Boeing Satellite Systems, Inc. ("BSSI"), dated as of January 9, 2006 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified from time to time, including through any Contract Change Notices, "MSV-ATC-01" and, together with any other agreements and documents executed or delivered in connection therewith, each as may be amended, restated, amended and restated, supplemented, waived, or otherwise modified from time to time, the "Boeing Agreements"). Pursuant to the Boeing Agreements, Ligado granted to BSSI security interests in and continuing liens (collectively, the "Boeing Liens") in any right, title, or interest Ligado may have or be deemed to have in any Work (as defined in MSV-ATC-01) (the "Boeing Collateral") to the extent set forth in Section 11.3 of MSV-ATC-01. For the avoidance of doubt, the Boeing Liens are Prepetition Permitted Prior Liens.

(f) Intercreditor Agreements. That certain First Lien Intercreditor Agreement, dated as of December 23, 2022 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified from time to time, the "First Lien Intercreditor Agreement"), by and among Ligado, the other grantors from time to time party thereto, U.S. Bank National Association, as Authorized Representative for the Notes Secured Parties (as defined therein), U.S. Bank Trust Company, National Association, as Initial Additional Authorized Representative (as defined therein) and each additional Authorized Representative from time to time party thereto, that certain Senior Collateral Trust and Intercreditor Agreement, dated as of October 23, 2020 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified from time to time, the "Senior Intercreditor Agreement"), by and among, Ligado, the other pledgors from time to time party thereto, U.S. Bank National Association, as First Lien Representative (as defined therein), U.S. Bank Trust Company, National Association, as a First Lien Representative, Jefferies Finance LLC, as a Junior Lien Representative (as defined therein), U.S. Bank National Association, as a Junior Lien Representative and each additional First Lien Representative and Junior Lien Representative from time to time party thereto, and that certain Junior Collateral Trust and Intercreditor Agreement, dated as of October 23, 2020 (as amended, restated, amended and restated, supplemented, waived, or otherwise modified from time to time, the "Junior Intercreditor Agreement" and, together with the First Lien Intercreditor Agreement and the Senior Intercreditor Agreement, the "Intercreditor Agreements"), by and among, Ligado, the other pledgors from time to time party thereto, Jefferies Finance LLC, as a Senior Lien Representative (as defined therein), U.S. Bank National Association, as a Junior Lien Representative (as defined therein) and each additional Senior Lien Representative and Junior Lien Representative from time to time party thereto: (a) are valid and enforceable "subordination agreements" under section 510(a) of the Bankruptcy Code; (b)(1) provide the 1L Loan Lenders of

1L First Out Loan Obligations with payment priority, in each case, relative to the 1L Notes Secured Parties of the 1L Notes Obligations and the 1L Loan Lenders of the 1L Pari Loan Obligations, (2) provide the 1L Secured Parties with, among other things, senior liens with respect to the Prepetition Collateral and the proceeds thereof and payment priorities, in each case, relative to the 1.5L Loan Secured Parties and the 2L Notes Secured Parties and (3) provide the 1.5L Loan Secured Parties with, among other things, senior liens with respect to the Prepetition Collateral and the proceeds thereof and payment priorities, in each case, relative to the 2L Notes Secured Parties; (c) shall remain in full force and effect; (d) shall continue to govern the relative priorities, rights, and remedies of the Prepetition Secured Parties (including the relative priorities, rights, and remedies of such parties with respect to the Adequate Protection Liens and Adequate Protection Claims (each as defined below) granted under this Final Order); and (e) shall not be deemed to be amended, altered, or modified by the terms of this Final Order.

(g) No Control. None of the DIP Secured Parties nor the Prepetition Secured Parties control the Loan Parties or their properties or operations, have the authority to determine the manner in which any of the Loan Parties' operations are conducted, or is a control person or insider under the Bankruptcy Code of the Loan Parties or any of their affiliates by virtue of any prepetition actions or holdings, including any of the prepetition acts, rights, or investments taken with respect to, in connection with, related to, or arising from the DIP Orders, the DIP Facility, the DIP Loan Documents, the 1L Loan Obligations, the 1L Notes Obligations, the 1.5L Loan Obligations, the 2L Notes Obligations, or the Prepetition Loan/Notes Documents.

(h) Release. Effective upon entry of this Final Order, each of the Debtors, on behalf of themselves and their respective estates, forever and irrevocably release and forever discharge the DIP Secured Parties (solely in their capacity as such) and each of their respective former, current and future officers, directors, employees, shareholders, owners, members, managers, partners, subsidiaries, affiliates, funds or managed accounts, agents, advisors, attorneys, accountants, investment bankers, consultants and other representatives, together with each of their predecessors and successors in interest (collectively, the "Released Parties") from any and all claims, offsets, defenses, counterclaims, set off rights, objections, challenges, causes of action and/or choses in action, liabilities, losses, damages, responsibilities, disputes, remedies, actions, suits, controversies, reimbursement obligations (including, attorneys' fees), costs, expenses or judgments of every type, whether known or unknown, asserted or unasserted, fixed or contingent, pending or threatened, of any kind or nature whatsoever, whether arising at law or in equity (including, without limitation, any so-called "lender liability" or equitable subordination claims or defenses, recharacterization, subordination, avoidance, any claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law or any other claim or cause of action arising under the Bankruptcy Code or applicable non-bankruptcy law), in each case, arising under, in connection with, or related to the Debtors or their estates, the extent, amount, validity, enforceability, priority, security and perfection of the DIP Facility, the DIP Obligations, the DIP Liens, the DIP Loan Documents, the obligations owing and the financial obligations made thereunder, the negotiation thereof and of the deals reflected thereby, in each case that the Debtors at any time had, now have or may have, or that their successors or assigns hereafter can or may have against any of the Released Parties for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time on or prior to the date of the entry of this Final Order; *provided* that the release set forth in this paragraph

G(g) shall not limit or release the obligations of any DIP Secured Party under the DIP Loan Documents.

(i) Cash Collateral. All of the Debtors' cash and cash equivalents, whether existing as of the Petition Date or thereafter, wherever located (including, without limitation, all cash on deposit or maintained by the Debtors in any account or accounts), constitutes or will constitute "cash collateral" of the Prepetition Secured Parties within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral"). All Cash Collateral, all proceeds of the Prepetition Collateral, and the DIP Collateral, including proceeds realized from any sale or disposition thereof, or from payment thereon, and all proceeds of the DIP Facility (net of any amounts used to pay fees, costs, and expenses payable under the Interim Order or this Final Order, as applicable) shall be used or applied in accordance with the terms and conditions of this Final Order, the Approved Budget (subject to Permitted Variances in accordance with the DIP Loan Agreement), and the DIP Loan Documents and for no other purpose unless otherwise agreed to between the Loan Parties and the DIP Lenders.

H. Prepetition Permitted Prior Liens. Nothing herein shall constitute a finding or ruling by this Court that any alleged Prepetition Permitted Prior Lien (including any Boeing Lien) is valid, senior, enforceable, prior, perfected, or non-avoidable. Moreover, nothing herein shall prejudice the rights of any party-in-interest, including, but not limited to, the Prepetition Secured Parties or BSSI, to challenge the validity, priority, enforceability, seniority, non-avoidability, perfection, or extent of any alleged Prepetition Permitted Prior Lien (including any Boeing Lien), and/or any other purportedly prior security interests.

I. Findings Regarding Corporate Authority. Each Loan Party has all requisite power and authority to execute and deliver, and each Loan Party is directed to execute and deliver, the DIP Loan Documents to which it is a party and to perform its obligations thereunder.

J. Findings Regarding Postpetition Financing and Use of Cash Collateral.

(a) Good Cause. Good and sufficient cause has been shown for the entry of this Final Order and for authorization of the Debtors to obtain financing pursuant to the DIP Facility and the DIP Loan Documents.

(b) Immediate Need for Postpetition Financing and Use of Cash Collateral. The Debtors' need to use the Prepetition Collateral (including Cash Collateral) and to obtain credit

pursuant to the DIP Facility as provided for herein is critical to avoid serious and irreparable harm to the Debtors, their estates, their creditors, and other parties in interest. The Debtors have a need to obtain the DIP Loans and other financial accommodations and to continue to use the Prepetition Collateral (including Cash Collateral) in order to, among other things: (i) avoid the liquidation of their estates; (ii) permit the orderly continuation of the operation of their businesses; (iii) maintain business relationships with customers, vendors, and suppliers, including purchasing necessary materials and services to maintain compliance with all applicable regulatory and safety requirements; (iv) make payroll; (v) satisfy other working capital, capital improvement, and operational needs; (vi) pay professional fees, expenses, and obligations benefitting from the Carve Out and Administration Charge; and (vii) pay costs, fees, and expenses associated with or payable under the DIP Facility, subject to the terms of the DIP Orders, DIP Recognition Orders, and the DIP Loan Documents. The Debtors' use of Cash Collateral alone would be insufficient to meet the Debtors' cash disbursement needs during the pendency of these chapter 11 cases. The access by the Debtors to sufficient working capital and liquidity through the use of Cash Collateral and other Prepetition Collateral, incurrence of new indebtedness under the DIP Loan Documents, and other financial accommodations provided under the DIP Loan Documents are necessary and vital to avoid an immediate liquidation and for the preservation and maintenance of the going concern values of the Debtors' estates. The extensions of credit under the DIP Facility, pursuant to the DIP Loan Documents and the DIP Orders, are fair and reasonable, reflect each Debtor's exercise of prudent business judgment, and are supported by reasonably equivalent value and fair consideration.

(c) No Credit Available on More Favorable Terms. The Debtors are unable to obtain unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an

administrative expense. The Debtors have also been unable to obtain: (a) unsecured credit having priority over that of administrative expenses of the kind specified in sections 503(b), 507(a), and 507(b) of the Bankruptcy Code; (b) credit secured solely by a lien on property of the Debtors and their estates that is not otherwise subject to a lien; or (c) other than as set forth herein, credit secured solely by a junior lien on property of the Debtors and their estates that is subject to a lien. The Debtors assert in the Motion, the First Day Declaration, and in the DIP Declaration, and demonstrated at the Interim Hearing and the Final Hearing (if necessary), that they have been unable to procure the necessary financing on terms more favorable, taken as a whole, than the financing offered by the DIP Lenders pursuant to the DIP Loan Documents. In light of the foregoing, and considering all alternatives, the Debtors have reasonably and properly concluded, in the exercise of their sound business judgment, that the DIP Facility represents the best financing available to the Debtors at this time, and is in the best interests of the Debtors, their Estates, and all of their stakeholders.

(d) Use of Proceeds of the DIP Facility and Cash Collateral. As a condition to entry into the DIP Loan Documents, the extension of credit and other financial accommodations made under the DIP Facility, and the consent to use Cash Collateral and the proceeds of the DIP Facility, each of the DIP Secured Parties require, and the Debtors have agreed, that Cash Collateral, the proceeds of the DIP Facility, and all other cash or funds of the Debtors shall be used solely in accordance with the terms and conditions of the DIP Orders and the DIP Loan Documents and solely to the extent in compliance with the Approved Budget (subject to variances permitted under the DIP Loan Agreement ("Permitted Variances")), and for no other purpose.

(e) The Roll-Up Loans. Based on the record presented to the Court, including the DIP Declaration, a roll-up of the DIP Loans is necessary and beneficial to the Debtors and their

estates. Moreover, the DIP Secured Parties were unable or unwilling to provide the DIP Facility absent the protections provided pursuant to the DIP Loan Documents and this Final Order, as more fully set forth in the DIP Declaration and the DIP Loan Documents. Accordingly, subject to (i) the Carve Out and (ii) the challenge rights set forth in paragraph 27 hereof, without any further action by the Debtors or any other party, the Roll-Up Loans shall be converted into DIP Obligations. Such conversion shall be authorized as compensation for, in consideration for, and solely on account of, those holders of 1L Debt Obligations (or their affiliates or Approved Funds) (other than 1L First Out Loan Obligations) that are also DIP Lenders or affiliates thereof to fund the DIP New Money Loans and not as payments under, adequate protection for, or otherwise on account of, any Prepetition Secured Obligations. The Prepetition Secured Parties would not otherwise consent to the use of their Cash Collateral or the subordination of their liens to the DIP Liens, and the DIP Lenders would not be willing to provide the DIP New Money Loans or extend credit to the Debtors thereunder without the inclusion of the Roll-Up Loans in the DIP Obligations.

(f) Adequate Protection for Prepetition Secured Parties. Subject to the challenge rights set forth in paragraph 27 hereof and subject to the Carve Out, the Prepetition Secured Parties are entitled, pursuant to sections 361, 362, 363(e), 502, and 507 of the Bankruptcy Code, to adequate protection, as and to the extent set forth in this Final Order, of their interests in all Prepetition Collateral, including Cash Collateral, in an amount equal to the diminution in the value of the Prepetition Secured Parties' interests in the Prepetition Collateral (including Cash Collateral), from and after the Petition Date, if any, for any reason provided for under the Bankruptcy Code, including, without limitation, any diminution resulting from the use, sale, or lease by the Loan Parties of the Prepetition Collateral, the imposition of the DIP Liens, the payment of any amounts under the Carve Out, the AST Break-Up Fee (if any), or the Administration

Charge, and the imposition of the automatic stay (the "Diminution in Value"). Based on the DIP Motion, the DIP Declaration, and the First Day Declaration, and the record presented to the Court at the Interim Hearing and the Final Hearing (if necessary), the terms of the adequate protection arrangements and of the use of Prepetition Collateral (including Cash Collateral)are fair and reasonable, reflect the Debtors' prudent exercise of business judgment, and constitute reasonably equivalent value and fair consideration for the use of Prepetition Collateral (including Cash Collateral).

(g) Consent. To the extent such consent is required, the Prepetition Secured Parties have, or shall be deemed to have, consented to the Debtors' use of Prepetition Collateral (including Cash Collateral) and the Loan Parties' entry into the DIP Facility and the DIP Loan Documents, in each case, in accordance with and subject to the terms and conditions of this Final Order and the DIP Loan Documents.

(h) Limitation on Charging Expenses Against Collateral. Effective upon entry of this Final Order, no costs or expenses of administration of these chapter 11 cases or any Successor Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral (including Cash Collateral) and/or Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Secured Parties, and no consent shall be implied from any other action, inaction, or acquiescence by the DIP Secured Parties, and nothing contained in this Final Order shall be deemed to be a consent by the DIP Secured Parties to any charge, lien, assessment, or claims against the DIP Collateral or Prepetition Collateral under section 506(c) of the Bankruptcy Code or otherwise.

(i) No Marshaling. Effective upon entry of this Final Order, in no event shall the DIP Secured Parties or the Prepetition Secured Parties be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral, the Prepetition Collateral, the DIP Obligations, or the Prepetition Secured Obligations; *provided, however*, that in the event of any action or proceeding by the DIP Agent to seek recovery from the DIP Collateral in satisfaction of the DIP Superpriority Claims, any proceeds of the DIP Collateral, excluding the proceeds of any Avoidance Actions against parties other than Inmarsat Global Limited ("Inmarsat"), that are received by the DIP Agent shall be first applied to the outstanding DIP Superpriority Claims prior to applying any proceeds of such Avoidance Actions against parties other than Inmarsat in satisfaction of such DIP Superpriority Claims. In addition, under any chapter 11 plan or sale under section 363 of the Bankruptcy Code, the DIP Superpriority Claims shall be marshalled away from the proceeds of any Avoidance Actions against parties other than Inmarsat in favor of all other DIP Collateral until such other DIP Collateral is applied in satisfaction of DIP Superpriority Claims. Further, effective upon entry of this Final Order, in no event shall the "equities of the case" exception in section 552(b) of the Bankruptcy Code apply to the Prepetition Secured Parties with respect to proceeds, products, offspring, or profits of any Prepetition Collateral.

(j) Business Judgment and Good Faith Pursuant to Section 364(e). Based on the DIP Motion, the DIP Declarations, the First Day Declaration, and the record presented to the Court at the Interim Hearing and the Final Hearing (if necessary), (i) the extension of credit and other financial accommodations made under the DIP Facility and the DIP Loan Documents, (ii) the fees and other amounts paid and to be paid thereunder, (iii) the terms of adequate protection granted to the Prepetition Secured Parties, (iv) the terms on which the Debtors may continue to

use Prepetition Collateral (including Cash Collateral), and (v) the Cash Collateral arrangements described therein and herein, in each case, pursuant to this Final Order and the DIP Loan Documents, (a) are fair, reasonable, and appropriate for secured financing to a debtor-in-possession; (b) reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties; (c) are supported by reasonably equivalent value and fair consideration; and (d) represent the best financing available to the Debtors. The DIP Facility and the use of Prepetition Collateral (including Cash Collateral) were negotiated in good faith and at arm's length among the Debtors, the DIP Secured Parties, and the Prepetition Secured Parties. The use of Prepetition Collateral (including Cash Collateral) and the credit to be extended under the DIP Facility shall be deemed to have been so allowed, advanced, made, used and/or extended in good faith, and for valid business purposes and uses, within the meaning of section 364(e) of the Bankruptcy Code, and the DIP Secured Parties and the Prepetition Secured Parties are therefore entitled to the protection and benefits of section 364(e) of the Bankruptcy Code and this Final Order.

(k) Good Faith of DIP Secured Parties. The DIP Facility, the adequate protection granted to the Prepetition Secured Parties, and the use of Prepetition Collateral (including Cash Collateral) hereunder have been negotiated in good faith and at arm's length among the Debtors, the DIP Secured Parties, and their respective advisors, and all of the Debtors' obligations and indebtedness arising under, in respect of, or in connection with, the DIP Facility and the DIP Loan Documents, including, without limitation, all loans and other financial accommodations made to and guarantees issued by the Debtors pursuant to the DIP Loan Documents and any Obligations shall be deemed to have been extended by the DIP Secured Parties and their respective affiliates in good faith, as that term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections offered by section 364(e) of the Bankruptcy

Code, and the claims, security interests and liens, and other rights, benefits, and protections granted to the DIP Secured Parties (and the successors and assigns thereof) pursuant to this Final Order, and the DIP Loan Documents shall each be entitled to the full protection of section 364(e) of the Bankruptcy Code and paragraphs 37 and 39 hereof in the event that this Final Order or any provision hereof is vacated, reversed, or modified on appeal or otherwise.

(l) Good Faith of Prepetition Secured Parties. The Prepetition Secured Parties have acted in good faith regarding the DIP Facility and the Debtors' continued use of Prepetition Collateral (including Cash Collateral) to fund the administration of the Debtors' estates and continued operation of their businesses (including the incurrence and payment of any adequate protection obligations and the granting of adequate protection liens), in accordance with the terms hereof, and the adequate protection claims, security interests and liens, and other rights, benefits and protections granted to the Prepetition Secured Parties (and their successors and assigns thereof) pursuant to this Final Order, and the DIP Loan Documents shall each be entitled to the full protection of section 364(e) of the Bankruptcy Code and paragraphs 37 and 39 hereof in the event that this Final Order or any provision hereof is vacated, reversed, or modified on appeal or otherwise.

(m) Initial Budget. The Debtors have prepared and delivered to the DIP Lenders an initial budget (the "Initial Budget"), a copy of which is attached to the Interim Order as **Exhibit 2**. The Initial Budget reflects the Debtors' anticipated cash receipts and anticipated disbursements for each calendar week during the period from the Petition Date through and including the end of the thirteenth (13th) calendar week following the Petition Date (the Initial Budget and each subsequent budget approved in accordance with the DIP Loan Agreement, an "Approved Budget"). The Debtors believe that the Initial Budget is reasonable under the facts and

circumstances. The DIP Lenders are relying upon the Debtors' agreement to comply with the Approved Budget (subject to Permitted Variances), the DIP Loan Agreement and the other DIP Loan Documents and this Final Order in determining to enter into the postpetition financing arrangements provided for herein. The Prepetition Secured Parties are relying upon the Debtors' agreement to comply with the Approved Budget (subject to Permitted Variances) and this Final Order in determining to consent to the use of Cash Collateral and entering into the postpetition financing arrangements provided for herein.

(n) Credit Bid Rights. The Debtors hereby acknowledge and agree that, effective upon entry of this Final Order, they shall not object, or support any objection, to the DIP Agent's (at the direction of the Required Lenders) and the Prepetition Secured Party Representatives' (at the direction of the applicable required Prepetition Secured Parties) right to credit bid (either directly or through one or more acquisition vehicles), up to the full amount of the underlying parties' respective claims, in any sale of all or any portion of the Prepetition Collateral or the DIP Collateral effectuated through section 363 of the Bankruptcy Code, whether in a chapter 11 or chapter 7 proceeding, to the extent that such credit bid complies with the terms of the applicable DIP Loan Documents or Prepetition Loan/Notes Documents; *provided* that so long as the Restructuring Support Agreement remains in effect with respect to AST, the DIP Agent's and the Prepetition Secured Party Representatives' right to credit bid shall be subject to the rights and limitations set forth in the Restructuring Support Agreement, and the DIP Agent and the Prepetition Secured Party Representatives shall not credit bid their respective claims against the AST Transaction.

(o) Relief Essential; Best Interests of the Debtors' Estates. The Debtors have requested entry of this Final Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2).

The Court concludes that entry of this Final Order is in the best interests of the Debtors' estates, and is necessary, essential, and appropriate for the continued operation of the Debtors' businesses and the management and preservation of their assets and properties.

NOW THEREFORE, based upon the foregoing findings and conclusions, the DIP Motion, the DIP Declarations, the First Day Declaration, and the record before this Court, and after due consideration, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. **DIP Motion Approved**. The DIP Motion is granted on a final basis in accordance with and subject to the terms and conditions of this Final Order and the DIP Loan Documents. Any objections to the relief set forth in this Final Order that have not been withdrawn, waived, or settled, and all reservation of rights included therein, are hereby overruled on the merits.

2. **Authorization of DIP Facility**.

(a) Subject to the terms and conditions of this Final Order, each of the Loan Parties is hereby authorized and empowered to execute, enter into, guarantee (as applicable), and perform all obligations under the DIP Facility and the DIP Loan Documents. The DIP Loan Documents and this Final Order govern the financial and credit accommodations to be provided to the Loan Parties by the DIP Lenders in connection with the DIP Facility.

(b) From the entry of the Interim Order through the earliest to occur of (i) entry of the Final Order or (ii) the DIP Termination Date, the Borrower was authorized and empowered to incur, and the Guarantors were authorized and empowered to unconditionally guarantee, on a joint and several basis, DIP Obligations on account of such incurrence under the DIP Facility up to an aggregate initial principal amount of $12,000,000 in DIP New Money Loans on an interim basis, together with applicable interest, protective advances, expenses, fees, and other charges

payable in connection with the DIP Facility, as applicable, in each case, subject to the terms and conditions set forth in the Interim Order and the DIP Loan Documents. From the entry of this Final Order through the DIP Termination Date, the Borrower is hereby authorized and empowered to incur, and the Guarantors are hereby authorized and empowered to unconditionally guarantee, on a joint and several basis, DIP Obligations on account of such incurrence under the DIP Facility up to an aggregate initial principal amount of $441,999,891 in DIP New Money Loans and up to an aggregate initial principal amount of $465,780,148.53 in Roll-Up Loans, together with applicable interest, protective advances, expenses, fees, and other charges payable in connection with the DIP Facility, as applicable, in each case, subject to the terms and conditions set forth in this Final Order and the DIP Loan Documents.

(c) Without limiting the foregoing, and without the need for further approval of this Court, each Loan Party is authorized to perform all acts, to make, execute, and deliver all instruments and documents (including, without limitation, the execution or recordation of pledge and security agreements, deeds of trust, and financing statements), and to pay all fees that may be required, necessary, or desirable for the Loan Parties to implement the terms of, performance of their obligations under or effectuate the purposes of and transactions contemplated by this Final Order, the DIP Facility, and the DIP Loan Documents (as applicable), including, without limitation:

(i) the execution and delivery of, and performance under, the DIP Loan Documents;

(ii) the execution and delivery of, and performance under, one or more amendments, waivers, consents or other modifications to and under the DIP Loan Documents, in each case, as the Loan Parties and the requisite DIP Secured Parties

(in accordance with and subject to the terms of the applicable DIP Loan Documents) may agree, it being understood that no further approval of the Court shall be required for non-material authorizations, amendments, waivers, consents or other modifications to and under the DIP Loan Documents (and any fees and other expenses (including any attorneys', accountants', appraisers', and financial advisors' fees), amounts, charges, costs, indemnities, and other obligations paid in connection therewith) that do not shorten the maturity of the extensions of credit thereunder or increase the aggregate commitments or the rate of interest payable thereunder;

(iii) the non-refundable and irrevocable payment to the DIP Secured Parties of all fees, costs and expenses, including, without limitation, (a) any Backstop Fee, Commitment Fee, DIP First Funding Discount Fee, DIP Second Funding Discount Fee, DIP DDTL Funding Discount Fee, DIP Unused Commitment Fee, closing fee, upfront fee, exit fee, prepayment fee, unused line fees, arrangement fees, structuring fees, duration fees, commitment fees, servicing fees, audit fees, appraisal fees, servicing fees, liquidator fees, agency fees, prepayment premiums, or similar amounts (which fees, in each case, were, and were deemed to have been, approved upon entry of the Interim Order, and which fees shall not be subject to any challenge, contest, attack, rejection, recoupment, reduction, defense, counterclaim, offset, subordination, recharacterization, avoidance, or other claim, cause of action, or other challenge of any nature under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise) and any amounts due (or that may become due) in respect of the indemnification obligations, in each case referred to in the DIP Loan Documents and (b) the reasonable and documented fees, costs, and expenses as may be due from time to time of the DIP Agent and the DIP Lenders, including, without limitation,

the reasonable and documented fees and expenses of the following professionals (whether or not such fees arose before or after the Petition Date, and whether or not the transactions contemplated hereby are consummated): (i) Kirkland & Ellis LLP and Kirkland & Ellis International LLP (collectively, "Kirkland"), in Kirkland's capacity as counsel to the Ad Hoc Cross-Holder Group, (ii) Sidley Austin LLP ("Sidley"), and Guggenheim Securities, LLC ("Guggenheim"), as counsel and financial advisor to the Ad Hoc First Lien Group, respectively, (iii) any local or foreign legal counsel retained by, or on behalf of, the DIP Lenders (including, for the avoidance of doubt, any local or foreign legal counsel retained by the Ad Hoc Cross-Holder Group or the Ad Hoc First Lien Group, respectively), (iv) Foley & Lardner LLP, as counsel to the DIP Agent, and (v) any local legal counsel retained by, or on behalf of, the DIP Agent (collectively, each of the fees and expenses described in parts (a) and (b) of this paragraph 2(c)(iii), the "DIP Fees and Expenses"), in each case, without the need to provide notice to any party or obtain further Court approval, or, as applicable, without the need to file retention or fee applications with respect thereto; *provided* that the DIP Fees and Expenses shall be subject to, and only to, the review, objection, and approval process set forth in paragraph 22;

(iv) the granting of the DIP Liens and the Adequate Protection Liens, the perfection of the DIP Liens and the Adequate Protection Liens, the granting of the DIP Superpriority Claims and the Adequate Protection Claims, and the granting of the DIP Protections, in each case, as set forth herein and in the DIP Loan Documents; and

(v) the performance of all other acts necessary, required, or desirable to implement the DIP Facility and to facilitate the transactions contemplated by the DIP Loan Documents and this Final Order.

(d) Subject to (i) the Carve Out and (ii) the challenge rights set forth in paragraph 27 hereof, the relevant 1L Notes Obligations and 1L Loan Obligations (other than 1L First Out Loan Obligations) shall be deemed fully funded and converted into and exchanged for Roll-Up Loans, in each case in accordance with the terms and conditions set forth in the DIP Loan Agreement and all other terms and conditions of the DIP Loan Documents.

(e) No DIP Secured Party shall have any obligation or responsibility to monitor any Debtor's use of the DIP Facility, and each DIP Secured Party may rely upon each Loan Party's representations that the amount of the DIP Facility requested at any time and the use thereof are in accordance with the requirements of this Final Order and the DIP Loan Documents.

3. **DIP Obligations**. The DIP Loan Documents and the DIP Obligations constitute valid, binding, enforceable, and non-avoidable obligations of each of the Loan Parties, and are fully enforceable against each of the Loan Parties, their estates, and any successors thereto, including, without limitation, any estate representative or trustee appointed in any of these chapter 11 cases, or any case under Chapter 7 of the Bankruptcy Code upon the conversion of any of these chapter 11 cases, or in any other proceedings superseding or relating to any of the foregoing and/or upon the dismissal of any of these chapter 11 cases or any such successor cases (collectively, the "Successor Cases"), and their creditors and other parties in interest, in each case, in accordance with the terms thereof and the DIP Orders, as applicable. The DIP Obligations include all loans and any other indebtedness or obligations, contingent or absolute, now existing or hereafter arising, which may from time to time be or become owing by any of the Loan Parties to any of the DIP Agent or DIP Lenders, in each case, under, or secured by, the DIP Loan Documents or the DIP Orders, including all principal, interest, costs, fees, expenses, and other amounts under the DIP Loan Documents (including this Final Order). The Loan Parties are jointly and severally liable for

the DIP Obligations. No obligation, payment, transfer, or grant of security under the DIP Loan Documents or the DIP Orders to the DIP Secured Parties shall be stayed, restrained, voidable, or recoverable under the Bankruptcy Code or under any applicable law (including, without limitation, under sections 502(d), 544, 548, or 549 of the Bankruptcy Code, any applicable Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or other state statute or common law), or subject to any defense, reduction, recoupment, recharacterization, subordination, disallowance, impairment, cross-claim, claim, counterclaim, offset, or any other challenge under the Bankruptcy Code or any applicable law.

4. **No Obligation to Extend Credit**. The DIP Secured Parties shall have no obligation to make any loan or advance under the applicable DIP Loan Documents unless all of the conditions precedent to the making of such extension of credit by the applicable DIP Secured Parties under the applicable DIP Loan Documents and the Interim Order and/or this Final Order, as applicable, have been satisfied in full or waived by the Required Ad Hoc Holders (as defined in the DIP Loan Agreement) in accordance with the terms of the applicable DIP Loan Documents.

5. **DIP Liens**.

(a) As security for the DIP Obligations, effective and perfected upon the date of the Interim Order, and without the necessity of the execution, recordation of filings by the Debtors of mortgages, security agreements, control agreements, pledge agreements, financing statements, or other similar documents, or the possession or control by the DIP Agent or any DIP Lender of, or over, any DIP Collateral, the following security interests and liens are hereby granted by the Debtors to the DIP Agent, for the benefit of the DIP Secured Parties (all property identified in clauses (i) and (ii) below being collectively referred to as the "DIP Collateral"), subject only to (w) the AST Break-Up Fee (if any), (x) the Carve Out, (y) the Administration Charge, and (z) the

Prepetition Permitted Prior Liens (if any, and including any Boeing Liens) (all such liens and security interests granted to the DIP Agent, for the benefit of the DIP Lenders, pursuant to the Interim Order, this Final Order, and the DIP Loan Documents, the "DIP Liens"):

(i) Subject only to the Carve Out, the AST Break-Up Fee (if any), the Administration Charge, and the Prepetition Permitted Prior Liens (if any, and including any Boeing Liens), pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected, non-avoidable, automatically, and properly perfected super-priority senior security interest in and lien upon all property of the Debtors, whether existing on the Petition Date or thereafter acquired, other than any Excluded Property (as defined in the DIP Loan Agreement), that, on or as of the Petition Date is not subject to valid, perfected, and non-avoidable liens (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) including, without limitation (in each case, to the extent not subject to valid, perfected, and non-avoidable liens): all unencumbered assets of the Debtors; all prepetition property and post-petition property of the Debtors' estates, and the proceeds, products, rents and profits thereof, whether arising from section 552(b) of the Bankruptcy Code or otherwise, including, without limitation, unencumbered cash (and any investment of such cash) of the Debtors (whether maintained with the DIP Agent or otherwise); all equipment, all goods, all accounts, cash, payment intangibles, bank accounts and other deposit or securities accounts of the Debtors (including any accounts opened prior to, on, or after the Petition Date); all insurance policies and proceeds thereof, equity interests, instruments, intercompany claims, accounts receivable, other rights to payment, all general intangibles, all contracts and contract rights, securities, investment property, letters of credit and letter of credit

rights, chattel paper, all interest rate hedging agreements of the Debtors; all owned real estate, real property leaseholds and fixtures of the Debtors; patents, copyrights, trademarks, trade names, rights under license agreements and other intellectual property of the Debtors; all claims and causes of action of the Debtors (other than any Avoidance Actions (as defined below)); any and all proceeds, products, rents, and profits of the foregoing; and any proceeds or property recovered in connection with the pursuit of claims or causes of action arising under chapter 5 of the Bankruptcy Code, if any ("Avoidance Actions"); *provided*, that for the avoidance of doubt, and notwithstanding anything to the contrary contained herein, to the extent a lien cannot attach to any of the foregoing pursuant to applicable law, the liens granted herein shall attach to the Debtors' economic rights, including, without limitation, any and all proceeds of the foregoing; *provided*, *further*, that, notwithstanding anything to the contrary contained herein, (a) DIP Liens on any such proceeds or property recovered in connection with Avoidance Actions and DIP Collateral with respect thereto shall be limited to proceeds or property in an amount equal to the amount of DIP First Funding Loans plus DIP Delayed Draw Term Loans provided by the DIP Lenders under the DIP Facility (such amount, the "Avoidance Action Proceeds Cap"), (b) the Avoidance Action Proceeds Cap shall not apply to DIP Liens on proceeds or property recovered in connection with any Avoidance Actions against Inmarsat, which shall be DIP Collateral; and (c) for the avoidance of doubt, the foregoing limitation in the preceding clause (a) shall not apply in any respect to the DIP Lenders' rights with respect to and DIP Liens on any proceeds or property recovered in connection with the litigation currently pending in the United States Court of Federal Claims, captioned *Ligado Networks LLC v. United States of America, Department of Defense, Department of Commerce, and*

National Telecommunications and Information Administration (the "Takings Litigation," which Takings Litigation, for the avoidance of doubt, is not an Avoidance Action) which rights are fully reserved and preserved; and

(ii) Subject only to the Carve Out, the AST Break-Up Fee (if any), the Administration Charge, and the Prepetition Permitted Prior Liens (if any), pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected super-priority senior priming security interest in and lien upon all property of the Debtors that is subject to the Prepetition Liens, including, without limitation, the Prepetition Collateral and Cash Collateral; *provided*, for the avoidance of doubt, and notwithstanding anything to the contrary contained herein, to the extent a lien cannot attach to any of the foregoing pursuant to applicable law, the liens granted pursuant to the Interim Order and this Final Order shall attach to the Debtors' economic rights, including, without limitation, any and all proceeds of the foregoing.

(b) In respect of the DIP Collateral, the DIP Liens shall be subject and subordinate solely to the Carve Out, the AST Break-Up Fee (if any), the Administration Charge, and the Prepetition Permitted Prior Liens.

(c) For the avoidance of doubt, and subject to the relative priorities set forth in herein and on the terms hereof, the term "DIP Collateral" shall include all assets and properties of each of the Loan Parties of any kind or nature whatsoever, other than (i) any Excluded Property (as defined in the DIP Loan Agreement) and (ii) Avoidance Actions, whether tangible or intangible, real, personal or mixed, whether now owned by or owing to, or hereafter acquired by, or arising in favor of, any of the Loan Parties, whether prior to or after the Petition Date, whether owned or consigned by or to, or leased from or to, the Loan Parties, solely to the extent of any

Loan Party's interest in such assets or properties, and wherever located, in each case, to the extent such assets and property constitute (i) Prepetition Collateral or (ii) "Collateral" as defined in the DIP Loan Documents, and all proceeds, products, offspring, and profits of each of the foregoing, including all proceeds of Avoidance Actions (subject to the Avoidance Action Proceeds Cap, as set forth herein), and all accessions to, substitutions and replacements for, each of the foregoing, including any and all proceeds of any insurance, indemnity, warranty, or guaranty payable to any Debtor from time to time with respect to any of the foregoing.

(d) Notwithstanding anything contained herein or in any of the DIP Loan Documents to the contrary, but subject to the Carve Out, the AST Break-Up Fee (if any), and the Administration Charge, the DIP Liens and the DIP Superpriority Claims (i) shall not be made subject to or *pari passu* with (A) any lien, security interest, or claim heretofore or hereinafter granted in any of the Loan Parties' chapter 11 cases or any Successor Cases, (B) any lien that is avoided and preserved for the benefit of the Loan Parties and their estates under section 551 of the Bankruptcy Code or otherwise, or (C) any intercompany or affiliate lien or claim; (ii) shall be valid and enforceable against the Loan Parties, their estates, any trustee, or any other estate representative appointed or elected in the Loan Parties' chapter 11 cases or any Successor Cases and/or upon the dismissal of any of the Loan Parties' chapter 11 cases or any Successor Cases; and (iii) shall not be subject to sections 506(c) (effective upon entry of this Final Order), 510, 549, 550, or 551 of the Bankruptcy Code.

(e) Any provision of any lease, loan document, easement, use agreement, proffer, covenant, license, contract, organizational document, or other instrument or agreement that requires the consent of any governmental entity or non-governmental entity in order for the Loan Parties to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold

interest or the proceeds thereof or DIP Collateral, is and shall hereby be deemed to be inconsistent with the provisions of the Bankruptcy Code, and shall have no force or effect with respect to the DIP Liens or Adequate Protection Liens on such leasehold interests or other applicable DIP Collateral or the proceeds of any assignment and/or sale thereof by any of the Loan Parties, in accordance with the terms of the DIP Loan Documents and this Final Order.

6. DIP Superpriority Claims. The DIP Agent (on behalf of the DIP Secured Parties) is granted, pursuant to section 364(c)(1) and 364(e) of the Bankruptcy Code, an allowed superpriority administrative expense claim in each of the Loan Parties' chapter 11 cases and any Successor Cases thereof on account of the DIP Obligations, with priority over any and all administrative expenses of the kind that are specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 364(c)(1), 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 1113, 1114, or any other provisions of the Bankruptcy Code and any other claims against the Loan Parties (the "DIP Superpriority Claims"), subject only to, and subordinated in all respects to, payment of the Carve Out, the Administration Charge, and the AST Break-Up Fee (if any). The DIP Superpriority Claims shall, for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code. The DIP Superpriority Claims shall exist against each of the Loan Parties, on a joint and several basis. Notwithstanding anything contained herein or in any of the DIP Loan Documents to the contrary, the DIP Superpriority Claims shall, at all times be senior to any and all other administrative expense claims or other claims against the Loan Parties or their estates, including the Adequate Protection Claims, in the Loan Parties' chapter 11 cases and any Successor Cases, subject only to, and subordinated in all respects to, payment of the Carve Out, the Administration Charge, and the AST Break-Up Fee (if any).

7. **Use of Proceeds of the DIP Facility and Cash Collateral**. The use of Prepetition Collateral (including Cash Collateral) and the proceeds of the DIP Facility is authorized and approved on a final basis, in each case, in accordance with and subject to the terms and conditions of this Final Order and the DIP Loan Documents, as applicable. From and after the Closing Date and until the earlier of the DIP Termination Date or the Cash Collateral Termination Date, the Loan Parties shall be authorized to use Prepetition Collateral (including Cash Collateral), and shall be permitted to draw upon the DIP Facility and the proceeds thereof, subject, in each case, to the terms and conditions of the DIP Orders and the DIP Loan Documents, and solely to the extent in compliance with the Approved Budget (subject to Permitted Variances). For the avoidance of doubt, none of the Debtors will use any DIP Loans, the proceeds of the DIP Facility, or Cash Collateral in a manner or for a purpose other than those consistent with the Approved Budget, the DIP Loan Documents, and this Final Order. Nothing in this Final Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business, or any of the Debtors' use of any Cash Collateral or other proceeds resulting therefrom, except as expressly permitted in this Final Order, the DIP Loan Documents, and the Approved Budget. All collections and proceeds of DIP Collateral, whether from ordinary course collections, asset sales, debt or equity issuances, insurance recoveries, condemnations, or otherwise, will be deposited and applied as required by this Final Order and the DIP Loan Documents.

8. **Disposition of DIP Collateral.** The Debtors shall not sell, transfer, lease, encumber, or otherwise dispose of any portion of the DIP Collateral (or enter into any binding agreement to do so) without the prior written consent of the Required Ad Hoc Holders (and no such consent shall be implied from any other action, inaction, or acquiescence by the Required Ad

Hoc Holders), except as otherwise permitted by the DIP Loan Documents or as ordered by the Court.

9. Adequate Protection.

(a) Adequate Protection for Prepetition Secured Parties. Subject to the challenge rights set forth in paragraph 27 hereof, the Prepetition Secured Parties are entitled, pursuant to sections 361, 362, 363(c)(2), 363(e), and 507 of the Bankruptcy Code, to adequate protection of their respective interests in the applicable Prepetition Collateral, including any Cash Collateral, solely to the extent of any Diminution in Value of their respective interests in the Prepetition Collateral. As adequate protection, the Prepetition Secured Parties are hereby granted the following, in each case subject to the challenge rights set forth in paragraph 27 hereof, the Carve Out, the AST Break-Up Fee (if any), and the Administration Charge:

(i) Adequate Protection Lien. Each of the Prepetition Secured Party Representatives, as applicable, on behalf of the applicable Prepetition Secured Parties, is granted a valid, binding, enforceable, and automatically perfected postpetition lien on all assets of the Debtors, other than (i) any Excluded Property and (ii) Avoidance Actions, but including all proceeds of Avoidance Actions (subject to the Avoidance Action Proceeds Cap in the same manner as the Avoidance Action Proceeds Cap applies to DIP Liens and DIP Collateral), to the extent of any Diminution in Value of the Prepetition Secured Parties' interests in the Prepetition Collateral (including Cash Collateral) (except as specified in the proviso below) (the "Adequate Protection Liens"), which Prepetition Secured Parties' Adequate Protection Liens shall be subject to the relative priorities set forth in the Prepetition Intercreditor Agreements in all cases and with respect to the DIP Collateral, shall be subject and subordinate only to (A) the AST Break-Up Fee (if any), (B) the Carve

Out, (C) the Administration Charge, (D) the DIP Liens, and (E) the Prepetition Permitted Prior Liens (if any).

(ii) Adequate Protection Claim. Each of the Prepetition Secured Party Representatives, respectively, on behalf of the Prepetition Secured Parties, is hereby granted an allowed superpriority administrative expense claim, to the extent of any Diminution in Value of the Prepetition Secured Parties' interests in the Prepetition Collateral (including Cash Collateral), as provided for in section 507(b) of the Bankruptcy Code (the "Adequate Protection Claims"), in each of these chapter 11 cases, which Prepetition Secured Parties' Adequate Protection Claims shall be subject to the relative priorities set forth in the Prepetition Intercreditor Agreements in all cases and which shall be (A) junior to the Carve Out, the AST Break-Up Fee (if any), the Administration Charge, and the DIP Facility, and (B) otherwise senior to any and all other administrative expenses of the kind specified or ordered pursuant to any provision of the Bankruptcy Code; provided further that recourse of such Adequate Protection Claims shall be subject to the Avoidance Action Proceeds Cap in the same manner as the Avoidance Action Proceeds Cap applies to Adequate Protection Liens. Except to the extent expressly set forth in this Final Order or the DIP Loan Documents, the Prepetition Secured Parties shall not receive or retain any payments, property or other amounts in respect of the Prepetition Secured Parties' Adequate Protection Claims from the DIP Collateral unless and until the Carve Out, the AST Break-Up Fee (if any), the Administration Charge, the DIP Obligations (other than contingent indemnification obligations as to which no claim has been asserted), and any claims having a priority superior to or *pari passu* with the DIP Superpriority Claims have indefeasibly been paid in cash in full and all DIP Loans have been terminated.

(b) Additional Adequate Protection for Prepetition Secured Parties. Subject to the challenge rights set forth in paragraph 27 hereof, as additional adequate protection of the Prepetition Secured Parties' security interests in the Prepetition Collateral, including the Cash Collateral, the Debtors are authorized to provide adequate protection in the form of the following:

(i) Fees and Expenses. Pursuant to sections 361, 363(e), 364(d), and 507 of the Bankruptcy Code, as additional adequate protection, the Debtors are authorized and directed to pay all reasonable and documented prepetition and postpetition fees, costs, expenses, and disbursements (the "Prepetition Secured Parties Adequate Protection Fees and Expenses") payable to (collectively, the "Prepetition Secured Party Advisors") (A) Kirkland, in Kirkland's capacity as counsel to the Ad Hoc Cross-Holder Group, (B) Sidley and Guggenheim, in their respective capacities as counsel and financial advisor to the Ad Hoc First Lien Group, (C) any local or foreign legal counsel retained by, or on behalf of, the Ad Hoc Cross-Holder Group and/or the Ad Hoc First Lien Group, (D) Foley & Lardner LLP, as counsel to the 1L Loan Agents and the 1L Notes Trustee, (E) Jones Day LLP, as counsel to the 1.5L Loan Administrative Agent, (F) Seward & Kissel LLP, as counsel to the 2L Notes Trustee, and (G) any local legal counsel retained by, or on behalf of, the Prepetition Secured Party Representatives, each subject to, and only to, the review procedures set forth in paragraph 10 of this Final Order.

(ii) Financial Reporting. The Debtors shall provide the Prepetition Secured Parties (including the Ad Hoc Cross-Holder Group and the Ad Hoc First Lien Group) with (i) copies of the DIP Reporting and (ii) a copy of the Approved Budget,

contemporaneously with delivery thereof to the DIP Secured Parties (each, on a confidential basis), and in each case, in accordance with paragraph 12 hereof.

(iii) Adequate Protection Payments. The Debtors are authorized and directed to pay to the 1L Secured Parties adequate protection payments in the form of postpetition interest payable in-kind (PIK) at the default rate on the date such interest would be otherwise due under the terms of the 1L Debt Documents, in an amount equal to all accrued and unpaid interest due and payable under the applicable 1L Debt Documents.

10. Review and Payment of Adequate Protection Fees and Expenses. Subject to the review procedures set forth in this paragraph 10, fee, cost and expense statements or invoices seeking payment of Prepetition Secured Parties Adequate Protection Fees and Expenses may be in summary form only, but shall include a reasonably detailed description of the nature of the matters for which services were performed, shall not be required to contain time entries, may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney-client privilege or of any benefits of the attorney work product doctrine. Such fee and expense statements or invoices shall be provided to counsel to the Debtors, counsel to the Committee (if appointed), and the U.S. Trustee (the "Fee Notice Parties"). If the payment of the requested Prepetition Secured Parties Adequate Protection Fees and Expenses is not disputed, in writing, by any of the Fee Notice Parties within ten (10) business days after delivery of such invoices (the "AP Fee Objection Period"), then, without further order of, or application to, the Court or notice to any other party, such fees and expenses shall be promptly paid by the Debtors. The Fee Notice Parties may dispute the payment of any portion of the Prepetition Secured Parties Adequate Protection

Fees and Expenses (the "Disputed AP Fees") if, within the AP Fee Objection Period, a Fee Notice Party notifies the submitting party in writing setting forth the specific objections (which objections shall be limited to the issue of the reasonableness of such Prepetition Secured Parties Adequate Protection Fees and Expenses) to any Prepetition Secured Parties Adequate Protection Fees and Expenses. If an objection is timely raised, such objection shall be subject to resolution by the Court; *provided* that payment of the requested Prepetition Secured Parties Adequate Protection Fees and Expenses, other than the Disputed AP Fees, shall not be delayed based on any such objections. For avoidance of doubt, the Debtors shall promptly pay in full all Prepetition Secured Parties Adequate Protection Fees and Expenses, other than the Disputed AP Fees, following the AP Fee Objection Period. Subject to the challenge rights set forth in paragraph 27 hereof, Payments of any amounts set forth in this paragraph 10 shall not be subject to disgorgement. For the avoidance of doubt, the Debtors were authorized and directed pursuant to the Interim Order, without further notice or hearing, to pay all Prepetition Secured Parties Adequate Protection Fees and Expenses incurred on or prior to the date of entry of the Interim Order on the date on which the DIP First Funding Loans were funded without the need for any Prepetition Secured Party Advisor to first deliver a copy of its invoice to the Fee Notice Parties as provided for herein. No Prepetition Secured Party Advisor shall be required to file an interim or final application seeking compensation for services or reimbursement of expenses with the Court.

11. Reservation of Rights of Prepetition Secured Parties and BSSI.

(a) Under the circumstances and given that the above-described adequate protection is consistent with the Bankruptcy Code, including section 506(b) thereof, this Court finds that the adequate protection provided herein is reasonable and sufficient to protect the interests of the Prepetition Secured Parties. However, nothing herein shall impair or modify the

application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to any Prepetition Secured Party hereunder is insufficient to compensate for any Diminution in Value of their respective interests in the Prepetition Collateral, respectively, during these chapter 11 cases or any Successor Cases. The receipt by any Prepetition Secured Party of the adequate protection provided herein shall not be deemed an admission that the interests of such Prepetition Secured Party, are adequately protected. Further, this Final Order shall not prejudice or limit the rights of any Prepetition Secured Party to seek additional relief with respect to the use of Cash Collateral or for additional adequate protection, subject in all respects to the terms and limitations of the Prepetition Intercreditor Agreements.

(b) For all adequate protection and stay relief granted in this Final Order, the Prepetition Secured Parties shall be deemed to have requested relief from the automatic stay and adequate protection as of the Petition Date. For the avoidance of doubt, such request will survive termination of this Final Order.

12. **Approved Budget**. All borrowings under the DIP Facility, and the use of Cash Collateral, shall at all times comply with the Approved Budget (subject to Permitted Variances) and the DIP Loan Documents. The Debtors shall provide copies of the reporting required under the DIP Loan Agreement as and when required under the DIP Loan Agreement (the "DIP Reporting").

13. **Modification of Automatic Stay**. Subject to paragraph 21 hereof, the automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby modified as necessary to permit: (a) the Loan Parties to grant the DIP Liens and the DIP Superpriority Claims, and to perform such acts as the DIP Secured Parties may request, to assure the perfection and priority of the DIP Liens and the DIP Superpriority Claims; (b) the Loan Parties to incur all liabilities and obligations,

including all the DIP Obligations, to the DIP Secured Parties as contemplated under the this Final Order and the DIP Loan Documents, and to perform under the DIP Loan Documents any and all other instruments, certificates, agreements, and documents which may be required, necessary, or prudent for the performance by the applicable Loan Parties under the DIP Loan Documents and any transactions contemplated therein or pursuant to this Final Order, as applicable; (c) the Loan Parties to take all appropriate action to grant the Adequate Protection Liens and the Adequate Protection Claims set forth herein, and to take all appropriate action (including such action as the Prepetition Secured Parties may reasonably request) to ensure that the Adequate Protection Liens granted thereunder were perfected upon entry of the Interim Order and maintain the priority set forth herein and therein; (d) the Loan Parties to pay all amounts referred to, required under, in accordance with, and subject to the DIP Loan Documents and this Final Order, as applicable; (e) the DIP Secured Parties and the applicable Prepetition Secured Parties to retain and apply payments made in accordance with the DIP Loan Documents and this Final Order, as applicable; (f) subject to paragraphs 20 and 21 hereof, the DIP Secured Parties and Prepetition Secured Parties to exercise, upon the occurrence and during the continuance of any DIP Termination Event or Cash Collateral Termination Event, as applicable, all rights and remedies provided for in the DIP Loan Documents and this Final Order and take any or all actions provided therein and herein; and (g) the implementation and exercise of all of the terms, rights, benefits, privileges, remedies, and provisions of this Final Order and the DIP Loan Documents, in each case, without further notice, motion or application to, or order of this Court.

14. **Perfection of DIP Liens and Adequate Protection Liens**. This Final Order is sufficient and conclusive evidence of the validity, perfection, and priority of all liens granted herein, including, without limitation, the DIP Liens and the Adequate Protection Liens, without

the necessity of execution, filing, or recording any financing statement, mortgage, notice, or other instrument or document that may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any deposit account control agreement) to validate or perfect (in accordance with applicable law) such liens, or to entitle the DIP Secured Parties and the Prepetition Secured Parties to the priorities granted herein. Notwithstanding the foregoing, the DIP Agent and the Prepetition Secured Party Representatives, without any further consent of any party are hereby authorized to execute, file, or record (and the DIP Agent or the Prepetition Secured Party Representatives, may require the execution, filing or recording), as each, in its sole discretion deems necessary or advisable, such financing statements, notices of lien, and other similar documents to enable the DIP Agent or the Prepetition Secured Party Representatives to further validate, perfect, preserve, evidence and enforce the applicable DIP Liens or other liens and security interests granted hereunder, perfect in accordance with applicable law or to otherwise evidence the applicable DIP Liens and/or the applicable Adequate Protection Liens, as applicable, and all such financing statements, notices, and other documents shall be deemed to have been filed or recorded as of the Petition Date; *provided* that no such filing or recordation shall be necessary or required in order to create or perfect the DIP Liens and/or the Adequate Protection Liens. The Debtors are hereby authorized to execute and deliver promptly upon demand to the DIP Agent or the Prepetition Secured Party Representatives,as applicable, all such financing statements, notices, and other documents as the DIP Agent or the Prepetition Secured Party Representatives, may reasonably request. The DIP Agent and the Prepetition Secured Party Representatives, each in its sole discretion, may file a photocopy of this Final Order as a financing statement with any filing or recording office or with any registry of deeds or similar office, in addition to or in lieu of such financing statements, notices

of lien, or similar instruments. To the extent that any Prepetition Secured Party Representative is a secured party under any account control agreement, listed as an additional insured or loss payee under any of the Debtors' insurance policies, or is the secured party under any loan document, financing statement, deed of trust, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction to validate, attach, perfect or prioritize liens (any such instrument or document, a "Security Document"), the DIP Agent shall also be deemed to be a secured party under each such Security Document, and shall have all the rights and powers attendant to that position (including, without limitation, rights of enforcement), and shall act in that capacity and distribute any proceeds recovered or received subject to the Carve Out, the AST Break-Up Fee (if any), and the Administration Charge and in accordance with the terms of this Final Order, as applicable, and the other DIP Loan Documents. The Prepetition Secured Party Representatives, as applicable, shall serve as agents for the DIP Agent solely for the purposes of perfecting its security interests in and liens on all DIP Collateral that is of a type such that perfection of a security interest therein (but for the entry of this Final Order) may be accomplished only by possession or control by a secured party.

15. Protection of Lenders' Rights. Except as otherwise expressly provided herein, so long as there are any DIP Obligations outstanding under the DIP Loan Documents or the DIP Secured Parties have any outstanding Commitments or Loans (each, as defined in the DIP Loan Documents), the Prepetition Secured Parties (with respect to the DIP Collateral) and BSSI (with respect to the Boeing Collateral): (a) shall have no right to, and take no action to, foreclose upon or recover in connection with the liens granted thereto pursuant to the Prepetition Loan/Notes Documents, the Boeing Agreements, and/or this Final Order or otherwise seek or exercise any enforcement rights or remedies against any DIP Collateral or in connection with the debt and

obligations underlying the Prepetition Loan/Notes Documents, the Boeing Agreements, or the Adequate Protection Liens, including, without limitation, in respect of the occurrence or continuance of any event of default under any of the Prepetition Loan/Notes Documents or the Boeing Agreements, (b) shall be deemed to have consented to any release of DIP Collateral authorized under the DIP Loan Documents, and (c) shall not file any further financing statements, patent filings, trademark filings, copyright filings, mortgages, memoranda of lease, notices of lien or similar instruments, or otherwise take any action to perfect their security interests in the DIP Collateral.

16. **Proceeds of Subsequent Financing**. If at any time prior to the indefeasible payment in full in cash of all of the DIP Obligations, the termination of the DIP Secured Parties' obligations to extend credit under the DIP Facility and this Final Order (including subsequent to the confirmation of any plan with respect to any or all of the Debtors and the Debtors' estates), and the complete satisfaction of the DIP Superpriority Claims and the Adequate Protection Claims, either the Loan Parties, the Loan Parties' estates, any trustee, any examiner with enlarged powers, or any responsible officer subsequently appointed in any of the Loan Parties' chapter 11 cases or any Successor Cases thereof, shall obtain credit or incur debt pursuant to sections 364(b), (c), or (d) of the Bankruptcy Code in violation of this Final Order or the DIP Loan Documents, then, unless otherwise agreed by the Required Lenders in their sole discretion, all of the cash proceeds derived from such credit or debt shall immediately be turned over to the DIP Agent for further distribution to the applicable DIP Secured Party on account of their applicable DIP Obligations pursuant to the applicable DIP Loan Documents.

17. [Reserved.]

18. **Milestones**. It is a condition to the DIP Facility and to the use of Cash Collateral that the Debtors shall comply with those certain case milestones set forth in section 5.16 of the DIP Loan Agreement (the "Milestones"). The Debtors' failure to comply with any Milestone shall constitute an "Event of Default" in accordance with the terms of the DIP Loan Agreement and this Final Order.

19. **Maintenance of DIP Collateral**. Until the indefeasible payment in full of all Obligations and the termination of the DIP Lenders' obligation to extend credit under the DIP Facility, the Debtors shall (a) insure the DIP Collateral as required under the DIP Facility or the Prepetition Loans/Notes Documents, as applicable and (b) maintain their cash management system in effect as of the Petition Date, as modified by any order entered by this Court.

20. **Termination Events.**

(a) The occurrence of (a) any "Event of Default" as that term is defined in the DIP Loan Agreement, (b) any failure to meet or satisfy any Milestone as defined in, and in accordance with, the DIP Loan Agreement, (c) the Maturity Date under the DIP Loan Agreement, or (d) any material violation, breach, or default by the Debtors with respect to any of their obligations under this Final Order or any other DIP Loan Document, shall constitute a "DIP Termination Event" under this Final Order (each, a "DIP Termination Event," and the date upon which such DIP Termination Event occurs, the "DIP Termination Date"), unless waived in writing by the Required Lenders, as applicable, in each case, in accordance with the DIP Loan Agreement. Subject to paragraphs 21(d) through 21(f), the Debtors' authorization to use Cash Collateral under this Final Order shall terminate (the "Cash Collateral Termination Date") upon the earliest to occur of (each of the following, a "Cash Collateral Termination Event"):

(i) the use of Prepetition Collateral, including Cash Collateral for any purpose not authorized by this Final Order;

(ii) the appointment of a chapter 11 trustee or an examiner, receiver, interim receiver or manager, or responsible officer with expanded powers;

(iii) the conversion of the chapter 11 cases to cases under chapter 7 of the Bankruptcy Code;

(iv) the failure of the Debtors to comply with any of the Milestones, subject to any modification or waiver thereof in accordance with the DIP Loan Agreement;

(v) an Approved Budget ceases to be in effect;

(vi) the expenditure by any of the Debtors of Cash Collateral (A) in a manner or for a purpose other than those consistent with the Approved Budget (including but not limited to payment of any expense or making any disbursement, in each case other than as set forth in the Approved Budget), or (B) in amounts that exceed the Permitted Variances, in each case other than as agreed or waived by the Required Lenders in accordance with the DIP Loan Agreement;

(vii) the failure of the Debtors to provide any of the reporting to the Prepetition Secured Parties set forth in paragraph 9(b)(ii) of this Final Order within five (5) business days following written notice from the applicable Prepetition Secured Parties of such failure;

(viii) the Court enters an order (or the Debtors seek entry of an order) invalidating, disallowing, subordinating, recharacterizing, or limiting, as applicable, any of the Prepetition Secured Obligations, the liens securing the Prepetition Secured Obligations or the Adequate Protection Liens without the consent of (a) the applicable Prepetition

Secured Party Representatives (on behalf of the applicable required Prepetition Secured Parties) and (b) the Required Lenders;

(ix) the DIP Obligations have been accelerated in accordance with the terms of the DIP Loan Agreement;

(x) the entry of an order of this or any other court of competent jurisdiction reversing, staying, vacating, or otherwise modifying in any material respect the terms of this Final Order without the consent of the applicable Prepetition Secured Party Representatives (on behalf of the applicable required Prepetition Secured Parties); or

(xi) the Restructuring Support Agreement has been terminated by either of the Ad Hoc Cross-Holder Group or the Ad Hoc First Lien Group.

21. Exercise of Remedies.

(a) Immediately upon the occurrence and during the continuation of a DIP Termination Event, the DIP Agent, at the direction of the Required Lenders, shall (in the case of a DIP Termination Event) be permitted to, and any automatic stay, whether arising under section 362 of the Bankruptcy Code or otherwise, is hereby modified, without further notice to, hearing of, or order from this Court, to the extent necessary to permit the DIP Agent to deliver written notice (which may include electronic mail) to the DIP Remedies Notice Parties (as defined herein) of its intent to: (i) declare all Obligations owing under the applicable DIP Facility to be immediately due and payable; (ii) terminate, reduce, or restrict any commitment to extend credit to the Loan Parties under the DIP Facility (to the extent any such commitment remains); (iii) terminate the DIP Facility and the DIP Loan Documents as to any future liability or obligation thereunder, but without affecting, in any way, the DIP Liens or the DIP Obligations; (iv) terminate and/or revoke the Debtors' right, if any, under this Final Order and the DIP Loan Documents to

use any Cash Collateral (subject to paragraphs 21(b) and 21(c)); (v) invoke the right to charge interest at the default rate under the DIP Facility; (vi) freeze any monies or balances in the Loan Parties' accounts; (vii) otherwise enforce any and all rights against the DIP Collateral in the possession of the DIP Agent, including, without limitation, disposition of the DIP Collateral solely for application towards the Carve Out, the AST Break-Up Fee (if any), the Administration Charge, and the DIP Obligations in accordance with their respective priorities; and/or (viii) take any other actions or exercise any other rights or remedies with respect to the DIP Collateral permitted under this Final Order, the DIP Loan Documents, or applicable law; *provided* that prior to the exercise of any right in clauses (i) through (viii) of this paragraph, the DIP Agent shall be required to provide five (5) calendar days' prior written notice to counsel to the Debtors, counsel to the Prepetition Secured Party Representatives, counsel to the Committee (if appointed), and the U.S. Trustee (the "DIP Remedies Notice Parties") of the DIP Agent's intent to exercise such rights and remedies (the "DIP Remedies Notice Period").

(b) Unless during such DIP Remedies Notice Period the Court orders otherwise, the DIP Agent shall be deemed to have received relief from the automatic stay, and may exercise all rights and remedies available against the DIP Collateral set forth in paragraph 21(a) hereof, at the direction of the Required Lenders, without further notice to, hearing of, or order from this Court, and without restriction or restraint by any stay under sections 105 or 362 of the Bankruptcy Code, or otherwise (in each case, subject to paragraph 21(c) hereof); *provided* that, in the event that a party challenges the DIP Agent's right to exercise such rights and remedies and the Court is unavailable for a hearing during the DIP Remedies Notice Period, the automatic stay shall remain in effect until the Court has an opportunity to rule on such challenge.

(c) The Debtors (i) shall reasonably cooperate with the DIP Agent in its exercise of rights and remedies, whether against DIP Collateral or otherwise, to the extent that such exercise is in compliance with the DIP Loan Documents, and (ii) unless the Court orders otherwise, may not contest or challenge the exercise of any such rights or remedies other than to dispute whether a DIP Termination Event has in fact occurred; *provided* that the DIP Agent shall not object to a request by the Debtors for an expedited hearing before the Court to contest whether a DIP Termination Event has in fact occurred. Notwithstanding anything to the contrary set forth in this paragraph 21, during the DIP Remedies Notice Period, the Debtors may use Cash Collateral to pay *only* the following amounts and expenses: (i) the Carve Out, (ii) the AST Break-Up Fee (if any), (iii) the Administration Charge, and (iv) amounts that the Debtors have determined in good faith are in the ordinary course, are critical to the preservation of the Debtors and their estates, and are in compliance with the Approved Budget (subject to Permitted Variances).

(d) Immediately upon the occurrence and during the continuation of a Cash Collateral Termination Event, the Prepetition Secured Party Representatives shall (in the case of a Cash Collateral Termination Event) be permitted to, and any automatic stay, whether arising under section 362 of the Bankruptcy Code or otherwise, is, by this Final Order, modified without further notice to, hearing of, or order from this Court, to the extent necessary, to permit such Prepetition Secured Party Representative to deliver written notice (which may include electronic mail) to the Cash Collateral Remedies Notice Parties (as defined herein) of its intent to terminate and/or revoke the Debtors' right, if any, under this Final Order to use any Cash Collateral (subject to paragraph 21(e)); *provided* that, prior to such termination and/or revocation, the Prepetition Secured Party Representative shall be required to provide five (5) calendar days' prior written notice (which shall run concurrently with any notice required in paragraph 19 above) to counsel to the Debtors,

counsel to the DIP Lenders, counsel to each Prepetition Secured Party Representative, counsel to the Committee (if appointed), and the U.S. Trustee (the "Cash Collateral Remedies Notice Parties") of such Prepetition Secured Party Representative's intent to exercise this right (the "Cash Collateral Remedies Notice Period").

(e) Unless during such Cash Collateral Remedies Notice Period the Court determines otherwise, such Prepetition Secured Party Representative shall be deemed to have received relief from the automatic stay, and may terminate and/or revoke the Debtors' right, if any, under this Final Order to use any Cash Collateral; *provided* that, in the event that a party challenges such Prepetition Secured Party Representative's assertion that a Cash Collateral Termination Event has occurred and the Court is unavailable for a hearing during the Cash Collateral Remedies Notice Period, the automatic stay shall remain in effect until the Court has an opportunity to rule on such challenge.

(f) Notwithstanding anything to the contrary set forth in this paragraph (i), during the Cash Collateral Remedies Notice Period, the Debtors may use Cash Collateral to pay *only* the following amounts and expenses: (i) the Carve Out, (ii) the AST Break-Up Fee (if any), (iii) the Administration Charge, and (iv) amounts that the Debtors have determined in good faith are in the ordinary course, are critical to the preservation of the Debtors and their estates, and are in compliance with the Approved Budget (subject to Permitted Variances).

22. **DIP Fees and Expenses**. The Borrower is authorized and directed to pay, in cash and on a current basis, all DIP Fees and Expenses, as and when due under the DIP Loan Documents and this Final Order, whether or not the transactions contemplated hereby are consummated. The invoices for such DIP Fees and Expenses may be in summary form only, but shall include a reasonably detailed description of the nature of the matters for which services were performed,

shall not be required to contain time entries, may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney-client privilege or of any benefits of the attorney work product doctrine. The DIP Fees and Expenses shall be provided to the Fee Notice Parties. If the payment of the requested DIP Fees and Expenses is not disputed, in writing, by any of the Fee Notice Parties within ten (10) business days after delivery of such invoices (the "DIP Fee Objection Period"), then, without further order of, or application to, the Court or notice to any other party, such fees and expenses shall be promptly paid by the Debtors. The Fee Notice Parties may dispute the payment of any portion of the DIP Fees and Expenses (the "Disputed DIP Fees") if, within the DIP Fee Objection Period, a Fee Notice Party notifies the submitting party in writing setting forth the specific objections (which objections shall be limited to the issue of reasonableness of such DIP Fees and Expenses) to any DIP Fees and Expenses. If an objection is timely raised, such objection shall be subject to resolution by the Court; *provided* that payment of the requested DIP Fees and Expenses, other than the Disputed DIP Fees, shall not be delayed based on any such objections. For avoidance of doubt, the Debtors shall promptly pay in full all DIP Fees and Expenses, other than the Disputed DIP Fees, following the DIP Fee Objection Period. Payments of any amounts set forth in this paragraph 21 shall not be subject to recharacterization, subordination, or disgorgement. For the avoidance of doubt, the Debtors were authorized and directed pursuant to the Interim Order, without further notice or hearing, to pay all DIP Fees and Expenses incurred on or prior to the date of entry of the Interim Order on the date on which the DIP First Funding Loans were funded without the need for any submitting party to first deliver a copy of its invoice to the Fee Notice Parties as provided for herein. No submitting party shall be

required to file an interim or final application seeking compensation for services or reimbursement of expenses with the Court.

23. **Indemnification**. The Loan Parties shall jointly and severally indemnify and hold harmless the DIP Agent, each DIP Secured Party, and each of their respective officers, directors, employees, parents, subsidiaries, affiliates, agents, advisors, attorneys and representatives, in each case, in their respective capacities as such, as and to the extent provided in the DIP Loan Documents; *provided* that, for the avoidance of doubt, the Loan Parties shall not indemnify or hold harmless any Indemnitee, in each case solely in its capacity as a Prepetition Secured Party, from and against any successful Challenge to the Prepetition Liens.

24. **Proofs of Claim**. The DIP Agent, the DIP Secured Parties, the Prepetition Secured Parties, and the Prepetition Secured Party Representatives shall not be required to file proofs of claim in any of these chapter 11 cases or any of the Successor Cases for any claim allowed herein or therein in respect of the Prepetition Secured Obligations. Any order entered by the Court establishing a bar date in any of these chapter 11 cases or any Successor Cases shall not apply to the DIP Secured Parties or the Prepetition Secured Parties; *provided* that, notwithstanding any order entered by the Court establishing a bar date in any of these chapter 11 cases or any Successor Cases to the contrary, the DIP Agent, on behalf of the DIP Lenders, and the Prepetition Secured Party Representatives, on behalf of the Prepetition Secured Parties, may (but are not required), in their sole discretion, file (and amend and/or supplement) a proof of claim and/or aggregate proofs of claim in each of these chapter 11 cases or any Successor Cases for any claim allowed herein, and any such proof of claim may (but is not required to be) filed as one consolidated proof of claim against all of the Debtors, rather than as separate proofs of claim against each Debtor.

25. Carve Out.

(a) Definition. As used in this Final Order, the "Carve Out" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code, together with interest, if any, under section 3717 of title 31 of the United States Code (without regard to the notice set forth in clause (iii) below); (ii) all reasonable fees and expenses up to $25,000.00 incurred by a trustee appointed under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in clause (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all fees and expenses incurred by persons or firms retained by the Debtors pursuant to sections 327, 328, or 363 of the Bankruptcy Code (the "Debtor Professionals") and the Committee (if any) pursuant to sections 328 or 1103 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtor Professionals, the "Professional Persons") at any time before, or on the first business day following, delivery by the DIP Agent (acting at the direction of the Required Lenders) of a Carve Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice (the "Allowed Professional Fees"); and (iv) Allowed Professional Fees of Debtor Professionals, in an aggregate amount not to exceed $2,000,000 *plus* the amount of any transaction or similar fee approved by the Court in connection with an order authorizing the Debtors' retention of their investment banker, incurred after the first business day following delivery by the DIP Agent (acting at the direction of the Required Lenders) of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amount set forth in this clause (iv), the "Post-Carve Out Trigger Notice Cap"). For purposes of the foregoing, the "Carve Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the DIP Agent (acting at the direction of

the Required Lenders) to the Debtors, their lead restructuring counsel, the U.S. Trustee, and the lead restructuring counsel to the Committee (if any), delivered following the occurrence and during the continuation of a Termination Event, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) Priority of Carve Out. Subject to the terms and conditions contained in this Paragraph 25, each of the Prepetition Liens, the Prepetition Secured Obligations, the Adequate Protection Liens, the Adequate Protection Claims, the DIP Liens, and the DIP Superpriority Claims shall be subject and subordinate to the payment of the Carve Out.

(c) Carve Out Reserves. On the day on which a Carve Out Trigger Notice is given by the DIP Agent (the "Carve Out Trigger Declaration Date"), the Carve Out Trigger Notice shall constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund, with cash, a segregated account not subject to the control of the Prepetition Secured Parties or the DIP Secured Parties (the "Carve Out Account") (i) first, in an amount equal to the then unpaid amounts of the Allowed Professional Fees (the "Pre-Carve Out Trigger Notice Reserve") and (ii) after funding the Pre-Carve Out Trigger Notice Reserve, in an amount equal to the Post-Carve Out Trigger Notice Cap (the "Post Carve Out Trigger Notice Reserve" and, together with the Pre-Carve Out Trigger Notice Reserve, the "Carve Out Reserves"). The Debtors shall deposit and hold the Carve Out Reserves in the Carve Out Account in trust for the Professional Persons, and the Allowed Professional Fees shall be paid out of the Carve Out Reserves before any and all other claims are paid. Notwithstanding anything to the contrary in this Final Order, following delivery of a Carve Out Trigger Notice, the DIP Agent shall not sweep or foreclose on the Debtors' cash (including cash received as a result of the sale or other disposition of any assets) until the Carve Out Reserves have been fully funded; provided that

if any Carve Out Reserves remain after all Allowed Professional Fees that are subject to the Carve Out have been paid in full pursuant to a final order, such funds shall constitute DIP Collateral and Cash Collateral of the Prepetition Secured Parties. Further, notwithstanding anything to the contrary in this Final Order, (i) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out and (ii) in no way shall the Carve Out, Post-Carve Out Trigger Notice Cap, Carve Out Account, Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors. For the avoidance of doubt and notwithstanding anything to the contrary in this Final Order or in any Prepetition Secured Document or DIP Loan Document, (x) funds transferred to the Carve Out Account shall not be subject to any liens or claims of the Prepetition Secured Parties or the DIP Secured Parties and shall not constitute Cash Collateral (or Collateral) or DIP Collateral, and (y) the Carve Out shall be senior to all liens and claims securing the Prepetition Secured Obligations, the Adequate Protection Claims, and the DIP Obligations, as well as any and all other forms of adequate protection, liens, or claims securing the Prepetition Secured Obligations or the DIP Obligations.

(d) Payment of Allowed Professional Fees Prior to the Carve Out Trigger Declaration Date. So long as the Carve Out Trigger Notice has not been delivered in accordance with this Final Order, the Debtors shall be permitted to pay Allowed Professional Fees as the same may become due and payable, including on an interim basis, consistent and in accordance with any applicable orders. Any payment or reimbursement made prior to the occurrence of the Carve Out Trigger Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out.

(e) No Obligation to Pay Allowed Professional Fees. None of the Prepetition Secured Parties shall be responsible for, and nothing in this Final Order shall be construed to obligate them to pay, any Professional Fees incurred in connection with these chapter 11 cases or any Successor Case or to guarantee that the Debtors have sufficient funds to pay such Allowed Professional Fees.

26. Limitations on the DIP Facility, the DIP Collateral, the Prepetition Collateral, the Cash Collateral, the Carve Out, and Other Funds. Notwithstanding anything contained in the DIP Loan Documents, this Final Order, or any other order of the Court to the contrary, no DIP Collateral, Prepetition Collateral, DIP Loans, Cash Collateral, proceeds of any of the foregoing, any portion of the Carve Out, or any other cash or funds may be used, directly or indirectly, by any of the Debtors, the Committee (if appointed), or any trustee or other estate representative appointed in these chapter 11 cases or any Successor Cases or any other person or entity (or to pay any professional fees, disbursements, costs or expenses incurred in connection therewith): (a) to object to, contest, prevent, hinder, delay, or interfere with, in any way, the DIP Secured Parties' or the Prepetition Secured Parties' enforcement or realization upon any of the DIP Collateral, Prepetition Collateral, or Cash Collateral, once a DIP Termination Event or Cash Collateral Termination Event occurs, other than to challenge the assertion that any DIP Termination Event or Cash Collateral Event has occurred in accordance with paragraphs 20 and 21 hereof; (b) except to the extent expressly permitted by the terms of the DIP Loan Documents and this Final Order, to use or seek to use Cash Collateral or, to sell, or otherwise dispose of DIP Collateral or Prepetition Collateral, in each case, without the consent of the Required Lenders and the requisite Prepetition Secured Parties under the Prepetition Loan/Notes Documents, as applicable; or (c) to investigate (including by way of examinations or discovery proceedings, whether formal or informal), prepare,

assert, join, commence, support, or prosecute any action for any claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination, or similar relief against, or adverse to the interests of, in any capacity, against any of the Released Parties with respect to any transaction, occurrence, omission, action, or other matter arising under, in connection with or related to this Final Order, the DIP Facility, the DIP Loan Documents, the DIP Obligations, the Prepetition Liens, the Prepetition Secured Obligations, or the Prepetition Loan/Notes Documents or the transactions contemplated therein or thereby, including, without limitation, (A) any Avoidance Actions, (B) any so-called "lender liability" claims and causes of action, (C) any claim or cause of action with respect to the validity, enforceability, priority and extent of, or asserting any defense, counterclaim, or offset to, the DIP Obligations, the DIP Superpriority Claims, the DIP Liens, the DIP Loan Documents, the Prepetition Loan/Notes Documents, the Prepetition Liens, the Adequate Protection Liens, the Adequate Protection Claims, or the Prepetition Secured Obligations, (D) any claim or cause of action seeking to challenge, invalidate, modify, set aside, avoid, marshal, subordinate, or recharacterize in whole or in part, the DIP Obligations, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the Prepetition Collateral, the Prepetition Secured Obligations, the Adequate Protection Liens, and the Adequate Protection Claims, or (E) without the consent of the Required Lenders or the applicable required Prepetition Secured Parties, as applicable, any action seeking to modify any of the rights, remedies, priorities, privileges, protections, and benefits granted to any of the DIP Secured Parties hereunder or under any of the DIP Loan Documents or the Prepetition Secured Parties under any of the Prepetition Loan/Notes Documents (in each case, including, without limitation, claims, proceedings, or actions that might prevent, hinder, or delay any of the DIP Secured Parties, or the Prepetition Secured Parties' assertions, enforcements,

realizations, or remedies on or against the DIP Collateral in accordance with the applicable DIP Loan Documents or Prepetition Loan/Notes Documents and this Final Order (as applicable)); *provided* that no more than $25,000 may be used for allowed fees and expenses incurred solely by the Committee (if appointed) in investigating, but not objecting to, challenging, litigating (including by way of discovery), opposing, or seeking to subordinate or recharacterize the validity, enforceability, perfection, and priority of the Prepetition Liens, the Prepetition Secured Obligations, or the Prepetition Loan/Notes Documents prior to the Challenge Deadline; *provided*, *further*, that nothing contained in this paragraph 26 shall prohibit the Debtors from responding to or complying with discovery requests of the Committee (if appointed), in whatever form, made in connection with such investigation or the payment from the DIP Collateral of professional fees related thereto.

27. Reservation of Certain Third-Party Rights and Bar of Challenges and Claims.

(a) The stipulations, admissions, agreements, and releases contained in this Final Order, including, without limitation, in paragraph G of this Final Order (collectively, the "Stipulations"), shall be binding upon the Loan Parties and any successor thereto (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for any of the Loan Parties in these chapter 11 cases or any Successor Cases) in all circumstances and for all purposes; *provided* that any chapter 7 or chapter 11 trustee appointed or elected for any of the Loan Parties in these chapter 11 cases or any Successor Cases before the Challenge Deadline shall not be bound by the Stipulations until the Court orders otherwise. The Stipulations shall be binding upon all other parties in interest, (including without limitation, the Committee, if appointed) and any other person or entity acting or seeking to act on behalf of the Loan Parties' estates, in all circumstances and for all purposes, unless (i) the Committee(if appointed) or a party in interest (in each case, to

the extent requisite standing is obtained pursuant to an order of this Court entered prior to the Challenge Deadline), has timely and duly filed an adversary proceeding or contested matter (subject to the limitations contained herein) (each, a "Challenge Proceeding") by the Challenge Deadline, objecting to or challenging the amount, validity, perfection, enforceability, priority, or extent of the Prepetition Secured Obligations, the Prepetition Liens, or the Prepetition Loan/Notes Documents, or otherwise asserting or prosecuting any Avoidance Action or any other claim, counterclaim, cause of action, objection, contest, defense, or other challenge (a "Challenge") against any of the Prepetition Secured Parties or any of their respective affiliates, subsidiaries, officers, directors, managers, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and the respective successors and assigns thereof (in each case, in their respective capacities as such), arising under, in connection with or related to the Debtors, the Prepetition Secured Obligations, the Prepetition Liens, or the Prepetition Loan/Notes Documents, and (2) there is entered a final non-appealable order in favor of the plaintiff in any such timely filed Challenge Proceeding; *provided* that (i) as to the Debtors, any and all such Challenges are hereby irrevocably waived and relinquished as of the Petition Date and (ii) any pleadings filed in any Challenge Proceeding shall set forth with specificity the basis for such Challenge (and any Challenges not so specified prior to the Challenge Deadline shall be deemed forever, waived, released, and barred). Notwithstanding anything to the contrary in this Final Order, if, on or before the Challenge Deadline, the Committee (if appointed) or any other party in interest files a motion seeking standing to file a Challenge with a draft complaint identifying and describing all bases for such Challenge, the Challenge Deadline shall be tolled solely with respect to the bases asserted in such draft complaint and solely with respect to the moving party until the earlier of: (i) two (2) business days subsequent to the date of entry of an

order granting standing to file such Challenge; and (ii) entry of an order denying such motion; *provided* that such extension shall only apply to the bases for a Challenge asserted in the draft complaint that the Court has specifically found that the moving party has standing to assert.

(b) If no such Challenge Proceeding is timely and properly filed prior to the Challenge Deadline, then, without further notice to any person or entity or order of the Court, (a) the Stipulations shall be binding on all parties in interest (including, without limitation, the Committee, if appointed); (b) the Prepetition Secured Obligations shall constitute allowed claims and shall not be subject to any defense, claim, counterclaim, recharacterization, subordination, disgorgement, offset, avoidance, for all purposes in these chapter 11 cases and any Successor Cases; (c) the Prepetition Loan/Notes Documents shall be deemed to have been valid, as of the Petition Date, and enforceable against each of the Loan Parties in these chapter 11 cases and any Successor Cases; (d) the Prepetition Liens shall be deemed to have been, as of the Petition Date, legal, valid, binding, perfected, security interests and liens, not subject to recharacterization, subordination, avoidance, or other defense; and (e) the Prepetition Secured Obligations, the Prepetition Liens and the Prepetition Loan/Notes Documents shall not be subject to any other or further claim or Challenge by the Committee (if appointed), any non-statutory committees appointed or formed in these chapter 11 cases or any Successor Cases or any other party in interest acting or seeking to act on behalf of the Debtors' estates.

(c) If any such Challenge Proceeding is timely and properly filed prior to the Challenge Deadline, the Stipulations shall nonetheless remain binding and preclusive (as provided in paragraph 27(b) hereof) on the Committee (if appointed) and on any other person or entity, except to the extent that such Stipulations were expressly and successfully challenged in such

Challenge Proceeding as set forth in a final, non-appealable order of a court of competent jurisdiction.

(d) The "Challenge Deadline" shall mean the date that is, for any party in interest or the Committee (if appointed), 75 calendar days after entry of this Final Order, as such deadline may be extended, (x) subject to the terms of this Final Order, in writing prior to the expiration of the deadline to commence a Challenge, by, with respect to the 1L Loans, the 1L Notes, the 1.5L Loans, or the 2L Notes, the Prepetition Secured Party Representative (as applicable, acting in accordance with the respective Prepetition Loan/Notes Documents) or (y) by this Court for good cause shown upon an application for an extension filed and served by a party in interest, pursuant to an order entered before the expiration of the Challenge Deadline; *provided* that an extension pursuant to the foregoing clause (y) shall only be applicable as to such party in interest and the particular Challenge set forth in such application; *provided*, *further*, that the timely filing of a motion seeking standing to file a Challenge before the expiration of the Challenge Deadline, which attaches a draft complaint setting forth the sufficiently specific factual bases of the proposed Challenge, shall toll the Challenge Deadline only as to the party that timely filed such standing motion until such motion is resolved or adjudicated by the Court; *provided, further*, the timely filing of a motion by Inmarsat before the expiration of the Challenge Deadline seeking standing to prosecute any estate claims, which motion attaches a draft complaint setting forth the sufficiently specific legal and factual bases of such claims, shall toll the Challenge Deadline only as to Inmarsat and only as to any Challenge included in such draft complaint, until such motion is resolved. Failure of the Committee (if appointed) or any other party in interest (including, for the avoidance of doubt, Inmarsat) to file such a pleading with the Court shall forever bar such party from making such a Challenge.

(e) Nothing in this Final Order vests or confers on any entity (as defined in the Bankruptcy Code), including the Committee (if appointed), any non-statutory committees appointed or formed in the chapter 11 cases, or Inmarsat, standing or authority to pursue any Claim (as such term is defined in section 101(5) of the Bankruptcy Code) or cause of action belonging to the Debtors or their estates, including, without limitation, Challenges with respect to the Stipulations, and all rights to object to such standing are expressly reserved.

28. **Limitations on Charging Expenses**. Except to the extent of the Carve Out, the AST Break-Up Fee (if any), and the Administration Charge, effective upon entry of this Final Order, no costs or expenses of administration of these chapter 11 cases or any Successor Cases at any time, including, without limitation, any costs and expenses incurred in connection with the preservation, protection, or enhancement of realization by the DIP Secured Parties or the Prepetition Secured Parties (as the case may be) upon the DIP Collateral or Prepetition Collateral (as the case may be), shall be charged against or recovered from (a) the Loan Parties or the DIP Collateral (including in respect of the Adequate Protection Liens), or any of the DIP Obligations or (b) the Prepetition Secured Parties, the Prepetition Collateral, or any of the Prepetition Secured Obligations, in each case, pursuant to sections 105 or 506(c) of the Bankruptcy Code or any other legal or equitable doctrine (including unjust enrichment) or any similar principle of law, without the prior express written consent of the Required Lenders or the affected Prepetition Secured Party, each in their sole discretion, and no such consent shall be implied, directly or indirectly, from any other action, inaction, or acquiescence by any such agents or creditors (including, without limitation, consent to the Carve Out, the AST Break-Up Fee (if any), the Administration Charge, or the approval of any budget hereunder).

29. **No Marshaling**. Effective upon entry of this Final Order, in no event shall the DIP Secured Parties or the Prepetition Secured Parties be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral, the DIP Obligations, the Prepetition Collateral, or the Prepetition Secured Obligations, as applicable, and all proceeds shall be received and applied in accordance with this Final Order, the DIP Loan Documents, and the Prepetition Loan/Notes Documents, as applicable, including, for the avoidance of doubt, to the funding of the Carve Out or the AST Break-Up Fee (if any), if applicable; *provided, however*, that in the event of any action or proceeding by the DIP Agent to seek recovery from the DIP Collateral in satisfaction of the DIP Superpriority Claims, any proceeds of the DIP Collateral, excluding the proceeds of any Avoidance Actions against parties other than Inmarsat, that are received by the DIP Agent shall be first applied to the outstanding DIP Superpriority Claims prior to applying any proceeds of such Avoidance Actions against parties other than Inmarsat in satisfaction of such DIP Superpriority Claims. In addition, under any chapter 11 plan or sale under section 363 of the Bankruptcy Code, the DIP Superpriority Claims shall be marshalled away from the proceeds of any Avoidance Actions against parties other than Inmarsat in favor of all other DIP Collateral until such other DIP Collateral is applied in satisfaction of DIP Superpriority Claims. Further, except to the extent of the Carve Out and the AST Break-Up Fee (if any), effective upon entry of this Final Order, in no event shall the "equities of the case" exception in section 552(b) of the Bankruptcy Code apply to the DIP Secured Parties, the Prepetition Secured Party Representatives, or the Prepetition Secured Parties with respect to proceeds, products, offspring or profits of any DIP Collateral or Prepetition Collateral.

30. **Payments Free and Clear**. Any and all payments or proceeds remitted to the DIP Agent or the other DIP Secured Parties pursuant to the provisions of this Final Order, the DIP Loan

Documents (including, without limitation, the Approved Budget (subject to Permitted Variances)) or any subsequent order of the Court shall be irrevocable, received free and clear of any claim, charge, assessment or other liability, including without limitation, any such claim or charge arising out of or based on, directly or indirectly, sections 506(c) or 552(b) of the Bankruptcy Code, whether asserted or assessed by, through or on behalf of the Debtors.

31. **Joint and Several Liability**. Nothing in this Final Order shall be construed to constitute a substantive consolidation of any of the Debtors' estates, it being understood, however, that the Loan Parties shall be jointly and severally liable for the obligations hereunder and in accordance with the terms of this Final Order.

32. **Right to Credit Bid**. Subject to the rights and limitations set forth in the Restructuring Support Agreement, the DIP Agent (at the direction of the Required Lenders) and, subject to section 363(k) of the Bankruptcy Code, the Prepetition Secured Party Representatives (at the direction of the applicable required Prepetition Secured Parties) shall have the right to credit bid (either directly or through one or more acquisition vehicles) following termination of the Restructuring Support Agreement, up to the full amount of the underlying parties' respective claims, including, for the avoidance of doubt, Adequate Protection Superpriority Claims, if any, in any sale of all or any portion of the Prepetition Collateral or the DIP Collateral including, without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any chapter 11 plan subject to confirmation under Bankruptcy Code section 1129(b)(2)(A)(ii)-(iii).

33. **Rights Preserved**. Subject in all cases to the Carve Out, notwithstanding anything herein to the contrary, the entry of this Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly: (a) the rights of the DIP Lenders or the Prepetition Secured

Parties to seek any other or supplemental relief in respect of the Debtors; (b) the rights of the DIP Lenders or the Prepetition Secured Parties under the DIP Loan Documents, the Prepetition Loan/Notes Documents, the Prepetition Intercreditor Agreements, the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, the right to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code, (ii) request dismissal of any of these chapter 11 cases, conversion of any or all of these chapter 11 cases to a case under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers, or (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans; or (c) except as expressly provided in this Final Order, any other rights, claims, or privileges (whether legal, equitable, or otherwise) of the DIP Lenders or the Prepetition Secured Parties. Notwithstanding anything herein to the contrary, the entry of this Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the Debtors' or any party in interest's right to oppose any of the relief requested in accordance with the immediately preceding sentence, except as expressly set forth in this Final Order.

34. **Intercreditor Agreements**. Pursuant to section 510 of the Bankruptcy Code, the Prepetition Intercreditor Agreements and any other applicable intercreditor or subordination provisions contained in the Prepetition Loan/Notes Documents (a) shall remain in full force and effect, (b) shall continue to govern the relative priorities, rights, and remedies of the Prepetition Secured Parties, and (c) shall not be deemed to be amended, altered, or modified by the terms of this Final Order.

35. **No Waiver by Failure to Seek Relief**. The failure of any of the DIP Lenders or the Prepetition Secured Parties to seek relief or otherwise exercise their rights and remedies under this Final Order, the DIP Loan Documents, the Prepetition Loan/Notes Documents, or applicable

law, as the case may be, shall not constitute a waiver of any of their respective rights hereunder, thereunder or otherwise. No delay on the part of any party in the exercise of any right or remedy under this Final Order shall preclude any other or further exercise of any such right or remedy or the exercise of any other right or remedy. None of the rights or remedies of any party under this Final Order shall be deemed to have been amended, modified, suspended, or waived unless such amendment, modification, suspension, or waiver is in writing and signed by the party against whom such amendment, modification, suspension, or waiver is sought. No consents required hereunder by any of the DIP Lenders or the Prepetition Secured Parties shall be implied by any inaction or acquiescence by any of the DIP Lenders or the Prepetition Secured Parties.

36. **Binding Effect of this Final Order**. Immediately upon entry of this Final Order by the Court, this Final Order shall inure to the benefit of the Debtors, the DIP Lenders, and the Prepetition Secured Parties, and the provisions of this Final Order (including all findings and conclusions of law herein) shall be valid and binding upon the Debtors, the DIP Lenders the Prepetition Secured Parties, any and all other creditors of the Debtors, the Committee (if appointed) or non-statutory committees appointed or formed in these chapter 11 cases, any and all other parties in interest and the respective successors and assigns of each of the foregoing, including any trustee or other fiduciary hereafter appointed as legal representative of any of the Debtors in any of these chapter 11 cases or any Successor Cases, or upon dismissal of any of these chapter 11 cases; *provided* that the DIP Lenders and the Prepetition Secured Parties shall have no obligation to permit the use of DIP Collateral or Prepetition Collateral (including Cash Collateral) by, or to extend any financing to, any chapter 7 trustee, chapter 11 trustee, or similar responsible person appointed for the estates of the Debtors.

37. **Survival**. The terms and provisions of this Final Order, including, without limitation, (a) the Carve Out and (b) all of the rights, privileges, benefits, and protections afforded herein and in the DIP Loan Documents (including the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Liens, and the Adequate Protection Claims, and any other claims, liens, security interests, and other protections (as applicable)) granted to the DIP Lenders and the Prepetition Secured Parties pursuant to this Final Order and the DIP Loan Documents (collectively, the "DIP Protections"), and any actions taken pursuant hereto or thereto, shall survive, shall continue in full force and effect, shall remain binding on all parties in interest and shall maintain their priorities, and shall not be modified, impaired, or discharged by, entry of any order that may be entered (i) confirming any plan of reorganization in any of these chapter 11 cases, (ii) converting any or all of these chapter 11 cases to a case under chapter 7 of the Bankruptcy Code, (iii) dismissing any or all of these chapter 11 cases, or (iv) pursuant to which the Court abstains from hearing any of these chapter 11 cases, in each case, until (x) in respect of the DIP Facility, all of the DIP Obligations, pursuant to the DIP Loan Documents and this Final Order, have been indefeasibly paid in full in cash (such payment being without prejudice to any terms of provisions contained in the DIP Facility which survive such discharge by their terms) and all commitments to extend credit under the DIP Facility are terminated, and (y) in respect of the Prepetition Secured Obligations, all of the Prepetition Secured Obligations have been indefeasibly paid in full in cash (or, in respect of outstanding letters of credit (if any), cash collateralized). This Court shall retain jurisdiction, notwithstanding any such confirmation, conversion, or dismissal, for the purposes of enforcing such DIP Protections and the Prepetition Secured Parties' adequate protection. Notwithstanding anything to the contrary in this Final Order, the DIP Protections afforded to the

Prepetition Secured Parties under this Final Order are subject to the challenge rights set forth in paragraph 27 hereof in all respects.

38. **Discharge Waiver/Release**. The DIP Obligations shall not be discharged by the entry of an order confirming any plan of reorganization in any of these chapter 11 cases, notwithstanding the provisions of section 1141(d) of the Bankruptcy Code, (i) unless the DIP Obligations have been indefeasibly paid in full in cash, on or before the effective date of such confirmed plan of reorganization, or (ii) the DIP Lenders have otherwise agreed in writing in respect of the applicable obligations owed to each of them (including the agreement reflected in Section 10.24 of the DIP Loan Agreement).

39. **Good Faith Under Section 364(e) of the Bankruptcy Code; No Modification or Stay of this Final Order**. The DIP Secured Parties have acted in good faith in connection with the DIP Facility, the DIP Loan Documents, and this Final Order, and their reliance on this Final Order is in good faith. Based on the findings set forth in this Final Order and the record made during the Interim Hearing and the Final Hearing (if necessary), and in accordance with section 364(e) of the Bankruptcy Code, the DIP Secured Parties and the Prepetition Secured Parties are entitled to the protections provided in section 364(e) of the Bankruptcy Code, this Final Order, and the DIP Loan Documents. If any or all of the provisions of this Final Order are hereafter reversed, modified, vacated, or stayed, such reversal, modification, vacation, or stay shall not affect: (i) the validity, priority, or enforceability of any DIP Obligations or adequate protection obligations incurred prior to the actual receipt of written notice by the DIP Agent and the Prepetition Secured Parties' Representatives of the effective date of such reversal, modification, vacatur, or stay; or (ii) the validity, priority, or enforceability of the DIP Obligations, the DIP Liens, the Adequate Protection Liens, the Prepetition Liens, or the Prepetition Secured Obligations. Notwithstanding

any such reversal, modification, vacatur, or stay of this Final Order, any DIP Obligations, DIP Liens, or Adequate Protection Liens incurred by the Loan Parties to the DIP Lenders or the Prepetition Secured Parties, as the case may be, prior to the actual receipt of written notice by the DIP Agent and the Prepetition Secured Party Representatives of the effective date of such reversal, modification, vacatur, or stay shall be governed in all respects by the original provisions of this Final Order.

40. **No Modification of Final Order**. Until and unless the DIP Obligations have been indefeasibly paid in full in cash, the Debtors irrevocably waive the right to seek and shall not seek or consent to, directly or indirectly: (a) without the prior written consent of the Required Lenders in respect of the DIP Obligations, (i) any modification, stay, vacatur, or amendment to this Final Order or (ii) a priority claim for any administrative expense or unsecured claim against any Debtor (now existing or hereafter arising of any kind or nature whatsoever, including, without limitation any administrative expense of the kind specified in sections 503(b), 506(c), 507(a), or 507(b) of the Bankruptcy Code) in these chapter 11 cases, equal or superior to the DIP Superpriority Claims, other than the Carve Out, the AST Break-Up Fee (if any), and the Administration Charge; (b) without the prior written consent of the DIP Agent (at the direction of the Required Lenders) or the Prepetition Secured Party Representatives (as applicable, acting in accordance with the respective Prepetition Loan/Notes Documents), any order authorizing the use of Cash Collateral resulting from the DIP Collateral or the Prepetition Collateral that is inconsistent with this Final Order; (c) without the prior written consent of the Required Lenders, grant of any lien on any of the DIP Collateral with priority equal or superior to the DIP Liens, except as expressly provided in the DIP Loan Documents or this Final Order; or (d) without the prior written consent of the Prepetition Secured Party Representatives (as applicable, acting in accordance with the respective

Prepetition Loan/Notes Documents), grant of any lien on any of the Prepetition Collateral with priority equal or superior to the Prepetition Liens or the Adequate Protection Liens, except to the extent expressly provided in this Final Order.

41. **Limitation of Liability.** Nothing in this Final Order, the DIP Loan Documents, or any other documents related to these transactions shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Lenders (in each case, in their capacities as such) of any liability for any claims arising from the prepetition or postpetition activities of the Debtors in the operation of their business, or in connection with their restructuring efforts. So long as the DIP Lenders comply with their obligations under the DIP Loan Documents and their obligations, if any, under applicable law (including the Bankruptcy Code), (a) the DIP Lenders shall not, in any way or manner, be liable or responsible for (i) the safekeeping of the DIP Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, servicer, bailee, custodian, forwarding agency, or other person and (b) all risk of loss, damage, or destruction of the DIP Collateral shall be borne by the Loan Parties.

42. **Final Order Controls**. In the event of any conflict or inconsistency between or among the terms or provisions of this Final Order or any of the DIP Loan Documents, unless such term or provision in this Final Order is phrased in terms of "defined in" or "as set forth in" the DIP Loan Documents, the terms and provisions of this Final Order shall govern and control. In the event of any inconsistency between or among the terms or provisions of this Final Order and any order entered in connection with the *Debtors' Motion for Entry of an Order Authorizing Payment of the AST Transaction Break-Up Fee*, filed substantially contemporaneously with the Motion

(such order, the "Break-Up Fee Order"), the terms and provisions of the Break-Up Fee Order shall govern and control.

43. No Third-Party Rights. Except as explicitly provided for herein, this Final Order does not create any rights for the benefit of any third party, creditor, equity holder, or any direct, indirect, or incidental beneficiary.

44. Chubb. For the avoidance of doubt, (a) the Debtors shall not grant liens and/or security interests in any insurance policy issued by ACE American Insurance Company and/or any of its U.S.-based affiliates (collectively, together with each of their successors, and solely in their roles as insurers, "Chubb") to any other party; (b) the proceeds of any insurance policy issued by Chubb shall only be considered to be DIP Collateral to the extent such proceeds are paid to the Debtors (as opposed to a third party claimant) pursuant to the terms of any such applicable insurance policy; and (c) nothing, including the DIP Loan Documents and/or this Final Order, alters or modifies the terms and conditions of any insurance policies or related agreements issued by Chubb.

45. Maturity Date. Notwithstanding anything to the contrary in the DIP Loan Agreement: (a) upon entry of the Confirmation Order, the Maturity Date Extension Period then in effect shall automatically be extended to the effective date of an Acceptable Plan, *provided*, that such automatic extension shall not extend after the Outside Date (as defined in the Restructuring Support Agreement); (b) the "Initial Stated Maturity Date" shall be the date that is 160 days after the Petition Date; and (c) subject to any extension effected by clause (a), each Maturity Date Extension Period that may be provided following the Initial Stated Maturity Date shall be a period of 112 days.

46. **Effectiveness of This Final Order**. This Final Order shall take effect and shall be enforceable immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), and 7062 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Final Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Final Order.

47. **Bankruptcy Rules**. The requirements of Bankruptcy Rules 4001, 6003, and 6004, in each case to the extent applicable, are satisfied by the contents of the DIP Motion.

48. **Necessary Action**. The Debtors are authorized to take any and all such necessary actions as are reasonable and appropriate to implement the terms of this Final Order.

49. **Headings**. Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Final Order.

50. **Notice of Entry of This Final Order**. The Debtors' counsel shall serve a copy of this Final Order or a suitable notice respecting same on the Notice Parties.

51. **Retention of Jurisdiction**. The Court shall retain jurisdiction to hear, determine and, if applicable, enforce the terms of, any and all matters arising from or related to the DIP Facility and/or this Final Order.

Thomas M. Horan

Dated: February 5th, 2025
Wilmington, Delaware

THOMAS M. HORAN
UNITED STATES BANKRUPTCY JUDGE

Appendix I- "Second Smith Affidavit"

Court File No. CV-25-00734802-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED

AND IN THE MATTER OF LIGADO NETWORKS LLC, LIGADO NETWORKS CORP., LIGADO NETWORKS HOLDINGS (CANADA) INC., LIGADO NETWORKS (CANADA) INC., ATC TECHNOLOGIES, LLC, LIGADO NETWORKS INC. OF VIRGINIA, ONE DOT SIX LLC, ONE DOT SIX TVCC LLC, LIGADO NETWORKS SUBSIDIARY LLC, LIGADO NETWORKS FINANCE LLC and LIGADO NETWORKS BUILD LLC

APPLICATION OF LIGADO NETWORKS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C 36, AS AMENDED

AFFIDAVIT OF DOUGLAS SMITH
(sworn February 6, 2025)

I, Douglas Smith, of the City of Leesburg, in the State of Virginia, in the United States of America, MAKE OATH AND SAY:

1. I am the Chief Executive Officer of the Applicant, Ligado Networks LLC ("**Ligado**" and, collectively with its affiliated debtors and debtors in possession, the "**Debtors**").[1] I have been employed in this and other capacities by the Debtors since 2010. Accordingly, I am familiar with the Debtors' day-to-day operations, business, and financial affairs. Where the facts described in this affidavit are not based on my direct knowledge but are based upon information and belief from other sources, I have specified the source of that information and believe it to be true.

[1] The Debtors are: Ligado Networks LLC; ATC Technologies, LLC; Ligado Networks (Canada) Inc.; Ligado Networks Build LLC; Ligado Networks Corp.; Ligado Networks Finance LLC; Ligado Networks Holdings (Canada) Inc.; Ligado Networks Inc. of Virginia; Ligado Networks Subsidiary LLC; One Dot Six LLC; and One Dot Six TVCC LLC.

2. I swear this affidavit in support of a motion filed by Ligado in its capacity as foreign representative of the Debtors (the "**Foreign Representative**") for certain relief pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), including an order recognizing and giving full force and effect in all provinces and territories of Canada to certain orders of the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") granted in the cases (the "**Chapter 11 Cases**") commenced by the Debtors under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "**U.S. Bankruptcy Code**"), specifically:

(a) Final Order: (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System and Maintain Existing Bank Accounts, (B) Utilize Their Credit Cards, and (C) Engage in Intercompany Transactions; (II) Granting a Waiver of the Requirements of Section 345(b) of the Bankruptcy Code and U.S. Trustee Guidelines; and (III) Granting Related Relief (the "**Final Cash Management Order**"), a copy of which is attached hereto as **Exhibit "A"**;

(b) Final Order: (I) Authorizing the Debtors to (A) Satisfy Prepetition Obligations on Account of Compensation and Benefits Programs and (B) Continue Compensation and Benefits Programs; and (II) Granting Related Relief (the "**Final Wages Order**"), a copy of which is attached hereto as **Exhibit "B"**;

(c) Final Order: (I) Authorizing the Debtors to (A) Maintain Insurance Policies and Surety Bond Program and Honor Obligations Thereunder, and (B) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies and Surety Bonds; and (II)

Granting Related Relief (the "**Final Insurance Order**"), a copy of which is attached hereto as **Exhibit "C"**;

(d) Final Order: (I) Authorizing the Payment of Certain Taxes and Fees; and (II) Granting Related Relief (the "**Final Taxes Order**"), a copy of which is attached hereto as **Exhibit "D"**;

(e) Final Order: (I) Approving the Proposed Adequate Assurance of Payment for Future Utility Services and Related Procedures; (II) Prohibiting Utility Companies to Alter, Refuse, or Discontinue Services; and (III) Granting Related Relief (the "**Final Utilities Order**"), a copy of which is attached hereto as **Exhibit "E"**;

(f) Final Order: (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Use Cash Collateral; (II) Granting Liens and Superpriority Administrative Expense Claims; (III) Granting Adequate Protection; (IV) Modifying the Automatic Stay; and (V) Granting Related Relief (the "**Final DIP Order**", and collectively with the Final Cash Management Order, Final Wages Order, Final Insurance Order, Final Taxes Order and Final Utilities Order, the "**Final First Day Orders**"), a copy of which is attached hereto as **Exhibit "F"**; and

(g) Order Authorizing Payment of the AST Transaction Break-Up Fee and Break-Up Reimbursements (the "**AST Break-Up Fee Order**", and collectively with the Final First Day Orders, the "**Foreign Orders**"), a copy of which is attached hereto as **Exhibit "G"**.

3. In connection with the AST Break-Up Fee Order, the Foreign Representative further seeks an amendment to the Supplemental Order granting a super-priority charge over the Debtors' property in Canada (the "**AST Break-Up Charge**"), which shall be consistent with the liens and charges granted by the AST Break-Up Fee Order entered by the U.S. Court in the Chapter 11 Cases.

4. On January 14, 2025, I swore an affidavit (the "**First Smith Affidavit**") in support of an Initial Recognition Order and Supplemental Order, each of which was granted by this Court on January 16, 2025. A copy of the First Smith Affidavit (without exhibits) is attached hereto as **Exhibit "H"**. Capitalized terms used but not otherwise defined in this affidavit have the meanings given to them in the First Smith Affidavit.

5. Further information regarding these proceedings is available on the Information Officer's case website at http://cfcanada.fticonsulting.com/ligado/. Information regarding the Chapter 11 Cases, including copies of documents filed therein, can be found on the Debtors' case website administered by Omni Agent Solutions, Inc., as claims and noticing agent in the Chapter 11 Cases, at https://cases.omniagentsolutions.com/ligado.

I. OVERVIEW

A. Procedural Background

6. On January 5, 2024 (the "**Petition Date**"), the Debtors commenced the Chapter 11 Cases in the U.S. Court under chapter 11 of title 11 of the U.S. Bankruptcy Code.

7. On January 7, 2025, the U.S. Court granted the First Day Orders, including an order authorizing Ligado to act as a foreign representative on behalf of itself and the other Debtors in these Recognition Proceedings in Canada.

8. On January 16, 2025, this Court granted the Initial Recognition Order and Supplemental Order, among other things:

(a) recognizing Ligado as Foreign Representative;

(b) recognizing the United States of America as the centre of main interests for the Debtors, including the Canadian Debtors;

(c) recognizing the Chapter 11 Cases as a "foreign main proceeding" pursuant to Part IV of the CCAA;

(d) recognizing and giving full force and effect in Canada to the First Day Orders, which are appended to the Supplemental Order;

(e) appointing FTI Consulting Canada Inc. ("**FTI Canada**") as Information Officer in these Recognition Proceedings; and

(f) granting the Administration Charge and DIP Lender's Charge.

9. Six of the ten First Day Orders granted by the U.S. Court on January 7, 2025, and recognized by this Court on January 16, 2025, were interim orders pending entry as final orders (defined herein as the Final First Day Orders) in accordance with the process described below.

10. On January 6, 2025, the Debtors filed a motion for entry of the AST Break-Up Fee Order. Although the United States Trustee filed an objection on January 23, 2025, its objection was withdrawn following certain negotiated revisions to the final form of the AST Break-Up Fee Order. As such, on January 27, 2025, the U.S. Court granted the AST Break-Up Fee Order without a formal hearing.

11. The Foreign Representative files this motion for an order recognizing and giving full force and effect in all provinces and territories of Canada to the Foreign Orders.

B. The Debtors' Business

12. A detailed overview of the Debtors' business and operations is set forth in the First Smith Affidavit. In summary, the Debtors are a mobile communications company that operates a satellite network across North America that has been providing mobile satellite services ("**MSS**") to government and commercial customers for over 25 years.

13. In the near term, Ligado is planning to evolve its satellite services to easily integrate with terrestrial networks and to communicate directly to standard mobile devices. In addition, Ligado has the authority to develop terrestrial-based solutions for both 5G public and private networks using its coordinated licensed and leased spectrum in the "L-Band," located in the highly attractive one- to two- GHz spectrum category, known as the lower mid-band.

14. As described in the First Smith Affidavit, Ligado's efforts to fully develop and implement its business plans have been severely hampered by the: (a) actions of the U.S. Government, which actions are the subject matter of ongoing litigation commenced by Ligado at the U.S. Court of

Federal Claims; and (b) breaches (among other things) of an integral spectrum coordination agreement between Ligado and its contractual counterparty, Inmarsat Global Limited ("**Inmarsat**"), now Viasat Inc., in respect of which Ligado has filed a complaint in an adversary proceeding in the Chapter 11 Cases.

15. As a result of the foregoing, the Debtors face critical liquidity challenges and have sought breathing room through the Chapter 11 Cases and these Recognition Proceedings to, among other things, pursue its complaints against the U.S. Government and Inmarsat, and effectuate a comprehensive restructuring to emerge on stable footing.

II. RECOGNITION OF THE FOREIGN ORDERS

A. Unopposed Foreign Orders

16. I am advised by the Debtors' U.S. bankruptcy counsel, Milbank LLP ("**Milbank**"), that any party wishing to oppose the Final First Day Orders (i.e., entry of the interim orders as final orders) was required to file their opposition with the U.S. Court by 4:00 p.m. (Eastern Time) on January 29, 2025. I am further advised by Milbank that no opposition was filed in connection with the Debtors' motions for approval of the following Final First Day Orders:

(a) Final Cash Management Order;

(b) Final Wages Order;

(c) Final Insurance Order;

(d) Final Taxes Order; and

(e) Final Utilities Order.

17. Accordingly, Certificates of No Objection and/or Certification of Counsel reflecting agreed revisions to the foregoing Final First Day Orders were filed with the U.S. Court and the U.S. Court entered each of the orders on or prior to February 3, 2025, without a formal hearing. I note that these Final First Day Orders are not materially different from the interim orders recognized by this Court on January 16, 2025.

18. Further details regarding each of the motions in support of the Final First Day Orders are set out in the First Smith Affidavit and the U.S. Declaration.

B. Final DIP Order

19. I am advised by Milbank that one Final First Day Order, namely the Final DIP Order, was opposed by one party, Inmarsat. A copy of Inmarsat's objection (the "**Inmarsat Objection**") filed in the Chapter 11 Cases on January 29, 2025, is attached hereto as **Exhibit "I"**. A copy of the Debtors' reply to the Inmarsat Objection filed February 3, 2025, is attached hereto as **Exhibit "J"**.

20. A hearing regarding the Final DIP Order was scheduled for February 5, 2025. Shortly before that hearing, the Debtors advised the U.S. Court that they had reached an agreement to resolve the Inmarsat Objection. Accordingly, the hearing was adjourned to February 6, 2025, at 2:00 p.m. (ET), to give the parties time to incorporate the agreed revisions into the Final DIP Order. On February 6, 2025, the revised form of Final DIP Order was submitted under Certification of Counsel and was entered by the U.S. Court without a formal hearing.

21. As further discussed in the First Smith Affidavit and the Mendelsohn Declaration, access to the DIP Facility, which is conditional upon entry of the Final DIP Order, is essential to the Debtors' successful operation during the Chapter 11 Cases and these Recognition Proceedings.

22. On January 7, 2025, the U.S. Court confirmed approval of the Debtors' DIP Motion on an interim basis and entered the Interim DIP Order on January 8, 2025, including interim approval of the DIP Facility. The DIP Facility includes:

(a) new money loans, which are superpriority senior secured multiple draw debtor-in-possession term loans to Ligado in a total aggregate principal amount not to exceed US$441,999,891 (the "**DIP New Money Loans**"); and

(b) a roll-up of US$441,999,891 to US$497,133,616 of 1L Debt Obligations (other than 1L First Out Loan Obligations), on a cashless, dollar-for-dollar basis, into DIP Loans (the "**Roll-Up**").

23. Through the DIP Facility, the Debtors obtained (or will obtain) access to the DIP New Money Loans over multiple draws as follows:

(a) first funding loans in an amount not to exceed US$12,000,000, which were made available to Ligado following entry of the Interim DIP Order (the "**DIP First Funding Loans**");

(b) second funding loans in an amount not to exceed US$326,999,891, which shall be made available to Ligado following entry of the Final DIP Order (the "**DIP Second**

Funding Loans") and used to repay in full in cash the 1L First Out Loan Obligations (the "**Refinancing**"); and

(c) delayed draw term loans in an amount not to exceed US$103,000,000, which shall be made available to Ligado in three draws following entry of the Final DIP Order (the "**DIP Delayed Draw Term Loans**").

24. On January 16, 2025, the Foreign Representative obtained the Supplemental Order, among other things, recognizing the Interim DIP Order granted by the U.S. Court and granting the DIP Lender's Charge with respect to interim financing over the Debtors' property in Canada.

25. Although the DIP Facility contemplates a roll-up of pre-petition obligations, the Interim DIP Order neither authorized the Roll-Up, which would not occur until the entry of the Final DIP Order, nor the advancement of the DIP Second Funding Loans or the DIP Delayed Draw Term Loans or the Refinancing, each of which was subject to entry of the Final DIP Order.

26. As noted in the First Smith Affidavit, the Roll-Up and Refinancing constitute key components of the DIP Facility, and the DIP Lenders have represented to the Debtors that they would not agree to provide the DIP Facility absent the Roll-Up and the Refinancing. Under the circumstances, given the lack of any actionable alternative financing offers, I believe that the Roll-Up and the Refinancing are reasonable and appropriate.

27. In granting the Final DIP Order, the U.S. Court made various findings, including without limitation, that:

(a) the Debtors' need to use the Prepetition Collateral (including the Cash Collateral) and to obtain credit pursuant to the DIP Facility is critical to avoid serious and irreparable harm to the Debtors, their estates, their creditors and other parties in interest;

(b) the Debtors have reasonably and properly concluded, in the exercise of their sound business judgment, that the DIP Facility represents the best financing available to the Debtors at this time;

(c) a roll-up of the DIP loans is necessary and beneficial to the Debtors and their estates; and

(d) entry of the Final DIP Order is in the best interest of the Debtors' estates, and is necessary, essential, and appropriate for the continued operation of the Debtors' businesses and the management and preservation of their assets and properties.

C. AST Break-Up Fee Order[2]

28. As described more fully in the First Smith Affidavit, the U.S. Declaration, and the supplemental declaration of Bruce Mendelsohn dated January 25, 2025, a copy of which is attached hereto as **Exhibit "K"**, shortly before commencing the Chapter 11 Cases, the Debtors entered into a Restructuring Support Agreement (the "**RSA**") with certain consenting stakeholders, including AST & Science, LLC ("**AST**"), which, among other things, included a contemplated

[2] Capitalized terms used but not otherwise defined in this section have the meanings given to them in Smith Affidavit, U.S. Declaration or RSA, as applicable.

long-term commercial transaction with AST (the "**AST Transaction**") as set forth in the binding AST Term Sheet, which is attached to the RSA.

29. Implementation of the restructuring contemplated by the RSA (the "**Restructuring**") is to be consummated through a prearranged chapter 11 plan (the "**Plan**"). The AST Transaction, which is an essential component of the Restructuring, is supported by overwhelming majorities of the holders of the Debtors' funded debt, including the Debtors' largest stakeholders, which support is memorialized in the RSA. The AST Transaction and the Restructuring will allow the Debtors to maximize creditors' recoveries by capitalizing on the value of Debtors' L-band MSS spectrum and related assets.

30. From the outset of the Debtors' negotiations with AST, AST made clear that its offer to enter into the RSA and consummate a transaction with Ligado through a chapter 11 plan was conditioned on the inclusion of case milestones and deal protection provisions, including a break-up fee. Ligado and AST engaged in extensive and good-faith negotiations regarding the terms of the RSA and the AST Transaction. In the end, given the significant value and the benefits that the AST Transaction provides to Ligado and its creditors, Ligado agreed, under certain limited circumstances set forth in the RSA, to pay AST a break-up fee of US$200 million (the "**Break-Up Fee**").

31. The RSA also provides that to the extent any payments are actually made by AST on account of certain obligations under the Inmarsat Agreement and/or the CCI Agreement (each as defined in the RSA), and the Debtors subsequently execute an Alternative Commercial Transaction, reimbursement of such amounts shall be made within ten (10) business days of

execution of binding agreements for such Alternative Commercial Transaction (the "**Break-Up Reimbursements**").

32. The AST Transaction, including the Break-Up Fee and the Break-Up Reimbursements, is an essential component of the Restructuring and received the support of consenting stakeholders who collectively hold approximately 88% of the aggregate outstanding principal amount of the Debtors' funded debt.

33. The RSA further required the Debtors to obtain approval of the Break-Up Fee and the Break-Up Reimbursements as a condition to moving forward with the Restructuring, the RSA and the AST Transaction. Absent such approval through the AST Break-Up Fee Order, AST could have terminated the RSA, which would result in the Debtors losing the best opportunity they have to maximize value through the AST Transaction.

34. In granting the AST Break-Up Fee Order, the U.S. Court made the following findings, among others:

(a) each of the Break-Up Fee and Break-Up Reimbursements (i) is an actual and necessary cost and expense of preserving the Debtors' estates within the meaning of sections 503(b)(1)(A) and 507(a)(2) of the U.S. Bankruptcy Code; and (ii) commensurate to the real and material benefits conferred upon the Debtors' estates by AST, the AST Transaction and the RSA;

(b) the Break-Up Fee and Break-Up Reimbursements were material inducements for, and conditions of, AST's execution of the RSA. AST is unwilling to remain

obligated to consummate the AST Transaction or otherwise be bound under the RSA absent approval of the Break-Up Fee and Break-Up Reimbursements. Further, each of the Break-Up Fee and Break-Up Reimbursements was negotiated by the parties at arm's length and in good faith by the Debtors and AST;

(c) Break-Up Reimbursements constitute an extension of credit to the Debtors and shall have the status of an allowed super-priority administrative expense claim against the Debtors' estates pursuant to sections 105(a), 503(b) and 507(b) of the U.S. Bankruptcy Code, with priority over all other administrative expense claims of the kind specified in section 503(b) of the Bankruptcy Code, including any claims granted under the Final DIP Order; *provided, however*, that the Break-Up Reimbursements shall each be subject to the Carve-Out (as defined in the Final DIP Order);[3] and

(d) the Break-Up Fee shall have the status of an allowed administrative expense claim against the Debtors' estates pursuant to sections 105(a), 503(b) and 507(b) of the U.S. Bankruptcy Code, *pari passu* with all other administrative claims against the Debtors; *provided, however,* that DIP lenders have agreed that any administrative claims or super-priority administrative claims granted or arising under the Final DIP Order shall be subordinated fully and in all respects to the Break-Up Fee and

[3] The "Carve-Out" is defined at paragraph 25 of the Final DIP Order and includes, among other things, certain fees payable to the Clerk of the U.S. Court, the U.S. Trustee and certain Debtor Professionals, as set forth in the Final DIP Order.

the Break-Up Reimbursements; *provided, further*, that the Break-Up Fee shall be subject to the Carve-Out (as defined in the Final DIP Order).

35. Further, the RSA does not hamper a third party from submitting a higher or otherwise better offer. The RSA includes a "fiduciary out" in the event the Debtors receive and negotiate alternative restructuring proposals from third parties. Should a third party submit an offer superior to the AST Transaction prior to court approval of entry into the AST Transaction, the Debtors may consider and negotiate such alternative proposal without breaching the RSA. If appropriate, the Debtors may even act upon such alternative proposal in an exercise of their fiduciary duties.

36. The Debtors' management intends to act in accordance with their fiduciary duties and consider any offer that might enhance the value of the Debtors' estates. The inclusion of the Break-Up Fee in the RSA does nothing to limit a third party's opportunity to submit a higher and otherwise better offer, and the Debtors' agreement to provide the Break-Up Fee was integral to winning these and other hard won concessions from AST.

37. On this motion, the Foreign Representative seeks recognition of the AST Break-Up Fee Order in Canada. As a result of the U.S. Court's above-noted findings, and the DIP lenders' agreement that any administrative claims or super-priority administrative claims granted or arising under the Final DIP Order shall be subordinated fully and in all respects to the Break-Up Fee and the Break-Up Reimbursements (subject to the Carve-Out), the Foreign Representative seeks an amendment to the Supplemental Order such that AST would benefit from a Court-ordered charge in respect of the Break-Up Fee and Break-Up Reimbursements ranking below the Administration Charge and above the DIP Lender's Charge.

III. OTHER DEVELOPMENTS IN THE CHAPTER 11 CASES

A. Next Omnibus Hearing Before the U.S. Court

38. The Debtors have scheduled an omnibus hearing before the U.S. Court for March 4, 2025, beginning at 11:00 a.m. (ET), in connection with certain motions, including without limitation:

(a) Debtors' Motion for Entry of an Order Establishing Procedures for Compensation and Reimbursement of Professionals; and

(b) certain additional motions which the Debtors may file in advance of and to be heard at such time.

39. One of the motions originally scheduled for the March 4 hearing, namely the Debtors' Motion for Entry of an Order: (I) Authorizing Employment and Payment of Professionals Utilized in the Ordinary Course of Business; and (II) Granting Related Relief (the "**Ordinary Course Professionals Order**"), was granted by the U.S. Court on February 4, 2025, after no opposition to the Debtors' motion was filed by the objection deadline of January 31, 2025.

40. I expect that the Foreign Representative will seek this Court's recognition of the Ordinary Course Professionals Order, and any further orders granted by the U.S. Court in connection with the above motions, at a future hearing. Further information in this regard will be set forth in a subsequent affidavit, to be sworn after March 4, 2025.

41. I swear this affidavit in support of Ligado's within motion and for no other or improper purpose.

SWORN by Douglas Smith of the City of Leesburg, in the State of Virginia, in the United States of America, before me at the City of Toronto in the Province of Ontario on February 6, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Sarah Lam
716DC5FB63604ED...

A Commissioner for taking affidavits.
Sarah Lam, LSO # 87304S

DocuSigned by:
A65C84F25DE04A1...

DOUGLAS SMITH

Appendix J - "Final Cash Management Order"

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
LIGADO NETWORKS LLC, *et al.*,[1]	)	Case No. 25-10006 (TMH)
Debtors.	)	(Jointly Administered)
	)	**D.I. 7, 90 & 102**

FINAL ORDER
(I) AUTHORIZING THE DEBTORS TO (A) CONTINUE TO OPERATE THEIR CASH MANAGEMENT SYSTEM AND MAINTAIN EXISTING BANK ACCOUNTS, (B) UTILIZE THEIR CREDIT CARDS, AND (C) ENGAGE IN INTERCOMPANY TRANSACTIONS, (II) GRANTING A WAIVER OF THE REQUIREMENTS OF SECTION 345(B) OF THE BANKRUPTCY CODE AND U.S. TRUSTEE GUIDELINES, AND (III) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned Debtors for entry of an order: (i) authorizing the Debtors to continue to (a) operate their Cash Management System and maintain existing Bank Accounts, (b) utilize their Credit Cards, and (c) engage in Intercompany Transactions, (ii) granting a waiver of certain requirements of section 345(b) of the Bankruptcy Code and of the U.S. Trustee Guidelines, and (iii) granting certain related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* of the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Ligado Networks LLC (3801); ATC Technologies, LLC (N/A); Ligado Networks (Canada) Inc. (N/A); Ligado Networks Build LLC (N/A); Ligado Networks Corp. (N/A); Ligado Networks Finance LLC (N/A); Ligado Networks Holdings (Canada) Inc. (N/A); Ligado Networks Inc. of Virginia (9725); Ligado Networks Subsidiary LLC (N/A); One Dot Six LLC (8763); and One Dot Six TVCC LLC (N/A). The Debtors' headquarters is located at: 10802 Parkridge Boulevard, Reston, Virginia 20191.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

consistent with Article III of the United States Constitution; and this Court having found that venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the notice of the Motion and of the opportunity to be heard at the hearing thereon were appropriate under the circumstances and that no other notice need be provided; and this Court having reviewed the Motion and the First Day Declaration and having heard the statements and argument in support of the relief requested at a hearing, if any, before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT**:

1. The Motion is granted on a final basis as set forth herein.

2. The Debtors are authorized, but not directed, to: (i) continue operating the Cash Management System and honor their prepetition obligations related thereto; (ii) continue to use the Bank Accounts in existence as of the Petition Date without the need to comply with certain guidelines relating to bank accounts set forth in the U.S. Trustee Guidelines; (iii) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (iv) continue to use their Credit Cards; (v) use, in their present form, all checks and other Business Forms (including letterhead) without reference to the Debtors' status as debtors in possession; and (vi) pay the Bank Fees, including any fees that accrued before the Petition Date, and to otherwise perform their obligations under the documents governing the Bank Accounts; provided that in the case of each of (i) through (vi), such action is taken in the ordinary course of business and consistent with prepetition practices.

3. The Cash Management Banks are authorized, but not directed, to continue to maintain, service, and administer the Bank Accounts without interruption and in the ordinary

course, and to receive, process, honor, and pay, to the extent of available funds, any and all checks, drafts, wires, credit card payments, and ACH transfers issued and drawn on the Bank Accounts after the Petition Date.

4. Subject to the terms set forth herein, any bank, including any Cash Management Bank, may rely upon the representations of the Debtors with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to an order of this Court, and no bank that honors a prepetition check or other item drawn on any account that is the subject of this Final Order (i) at the direction of the Debtors, (ii) in a good-faith belief that this Court has authorized such prepetition check or item to be honored, or (iii) as a result of a mistake made despite implementation of customary handling procedures, shall be deemed to be nor shall be liable to the Debtors, their estates, or any other party on account of such prepetition check or other item being honored postpetition, or otherwise deemed to be in violation of this Final Order.

5. The existing deposit agreements between the Debtors and the Cash Management Banks shall continue to govern the postpetition relationships between the applicable Debtors and Cash Management Banks, and all of the provisions of such agreements, including, without limitation, the termination and fee provisions, and any provisions relating to offset or charge back rights with respect to return items, shall remain in full force and effect.

6. The Debtors are authorized, but not directed, to continue using, and, if used, to perform their obligations in connection with, their Credit Cards and to pay any amounts owing with respect thereto, including any amounts relating to the prepetition period.

7. The Debtors and the Cash Management Banks may, without further order of this Court, agree to and implement changes to the Cash Management System and procedures related

thereto in the ordinary course of business, including, without limitation, the opening of any new bank accounts and the closing of any existing Bank Accounts, so long as any such new account is with a bank that is designated as an Authorized Depository by the U.S. Trustee for the District of Delaware or is willing to execute a Uniform Depository Agreement with the U.S. Trustee for the District of Delaware as soon as reasonably practicable; *provided* that if the Debtors open or close any Bank Account, such opening or closing shall be timely reflected on the Debtors' next monthly operating report and, the Debtors shall provide notice within fifteen (15) days to the U.S. Trustee, any official committee appointed in these chapter 11 cases, counsel to the Ad Hoc Cross-Holder Group, and counsel to the Ad Hoc First Lien Group. Subject to the terms hereof, the Debtors are authorized, in the ordinary course of business, to enter into any ancillary agreements, including new deposit account control agreements, related to the foregoing, as they may deem necessary and appropriate.

8. The relief granted in this Final Order is extended to any new bank account opened by the Debtors in the ordinary course of business after the date hereof, and each such account shall be deemed a Bank Account, and the bank at which such account is opened shall be deemed a Cash Management Bank; *provided*, that the Debtors shall open any new Bank Account at a bank that has executed a Uniform Depository Agreement with the U.S. Trustee for the District of Delaware or at a bank that is willing to immediately execute such an agreement. In the event that such bank does not execute a Uniform Depository Agreement, the U.S. Trustee for the District of Delaware's rights are fully reserved.

9. For each bank that has executed a Uniform Depository Agreement with the U.S. Trustee for the District of Delaware (each, a "UDA Bank"), the Debtors must, as soon as possible, (i) contact each such UDA Bank, (ii) provide the UDA Bank with each of the Debtors' employer

identification numbers, and (iii) identify each of the Debtors' Bank Accounts held at such UDA Bank as being held by a debtor in possession in a bankruptcy case and provide the case number.

10. All banks maintaining any of the Bank Accounts that are provided with notice of this Final Order shall not honor or pay any bank payments drawn on the listed Bank Accounts or otherwise issued before the Petition Date for which the Debtors specifically issue stop payment orders in accordance with the documents governing such Bank Accounts. Each Cash Management Bank is otherwise authorized to debit the Debtors' accounts in the ordinary course of business without the need for further order of this Court for all checks and electronic payment requests when presented for payment, and each Cash Management Bank is authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests with respect to prepetition amounts owed that are dishonored as a consequence of the filing of these cases.

11. The Cash Management Banks are authorized, in the ordinary course and without further order of this Court, to deduct all applicable Bank Fees, whether arising prepetition or postpetition from the applicable Bank Accounts, and to charge back to the appropriate accounts any returned items (including returned checks or returned items resulting from ACH transactions, wire transfers, or other electronic transfers of any kind), regardless of whether such returned items were deposited or transferred prepetition or postpetition.

12. Each of the Cash Management Banks is authorized to debit the Debtors' accounts, in the ordinary course of business and without the need for further order of this Court, for all checks or other items deposited in the Debtors' accounts prior to the Petition Date which have been

dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith.

13. Any banks, including the Cash Management Banks, are further authorized to honor the Debtors' directions with respect to the opening and closing of any Bank Account and accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions.

14. The Debtors are authorized to continue to use their checks, correspondence and other Business Forms including, but not limited to, purchase orders, letterhead, envelopes, promotional materials, substantially in the forms existing immediately prior to the Petition Date, without reference to the Debtors' debtor-in-possession status; *provided,* that once the Debtors' existing checks have been used, the Debtors shall, when reordering checks, require the designation "Debtor in Possession" and the corresponding bankruptcy case number on all checks; *provided, further,* that, with respect to checks which the Debtors or their agents print themselves, the Debtors shall begin printing the "Debtor in Possession" legend and the bankruptcy case number on such items within ten (10) days of the date of entry of the Interim Order.

15. Continuation and maintenance of the Bank Accounts (including the Investment Account and the Ligado Networks Canadian Dollar Disbursement/Operating Account) is approved on an interim basis; *provided* that the Investment Account balance shall not exceed $10 million. The Debtors shall have thirty (30) days from the date of entry of this Order within which to either come into compliance with section 345(b) of the Bankruptcy Code and Local Rule 4001-3, and such extension is without prejudice to the Debtors' right to request a further extension or waiver of the requirements of section 345(b) of the Bankruptcy Code.

16. The Debtors shall deposit into a UDA Bank any draws of their debtor-in-possession financing available pursuant to the *Interim Order (I) Authorizing the Debtors to (A) Obtain*

Postpetition Financing and (B) Use Cash Collateral; (II) Granting Liens and Superpriority Administrative Expense Claims; (III) Granting Adequate Protection; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief [Docket No. 104] and any final order granting such releif.

17. The Debtors are authorized to continue engaging in Intercompany Transactions and incurring Intercompany Claims in the ordinary course of business, consistent with historical practice; *provided* that, for the avoidance of doubt, the Debtors shall not be authorized to undertake any Intercompany Transactions or incur any Intercompany Claims that are not on the same terms as, or materially consistent with, the Debtors' operation of their business in the ordinary course before the Petition Date. The Debtors shall continue to maintain current records with respect to all Intercompany Transactions, such that any transfer may be readily ascertained, traced, and properly recorded on the Debtors' books and records. The Debtors shall make such records available on a confidential basis to counsel to the Ad Hoc Cross-Holder Group and counsel to the Ad Hoc First Lien Group upon reasonable request.

18. All postpetition claims arising from Intercompany Transactions authorized hereunder shall be entitled to administrative expense priority status under section 503(b) of the Bankruptcy Code.

19. Notwithstanding use of a consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity makes those disbursements.

20. Nothing contained in the Motion or this Final Order shall be construed to (i) create or perfect, in favor of any person or entity, any interest in cash of a Debtor that did not exist as of

the Petition Date or (ii) alter or impair the validity, priority, enforceability or perfection of any security interest or lien, in favor of any person or entity, that existed as of the Petition Date.

21. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (i) an admission as to the amount of, basis for, or validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any other party's right to dispute any claim; (iii) a promise or requirement to pay any particular claim; (iv) an admission that any particular claim is of a type described in the Motion; (v) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (vi) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (vii) a waiver of any claims or causes of action. If this Court grants the relief sought herein, any payment made pursuant to this Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

22. Notice of the Motion as described therein shall be deemed good and sufficient notice thereof and the relief requested therein, and the requirements of Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules are satisfied by such notice.

23. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

24. The Debtors are authorized to take all actions that are necessary and appropriate to effectuate the relief granted in this Final Order.

25. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Thomas M. Horan

Dated: February 3rd, 2025
Wilmington, Delaware

THOMAS M. HORAN
UNITED STATES BANKRUPTCY JUDGE

Appendix K - "Final Insurance Order"

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
LIGADO NETWORKS LLC, *et al.*,[1]	)	Case No. 25-10006 (TMH)
Debtors.	)	(Jointly Administered)
	)	**Re: D.I. 14, 93 & 106**

FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) MAINTAIN INSURANCE POLICIES AND SURETY BOND PROGRAM AND HONOR OBLIGATIONS THEREUNDER, AND (B) RENEW, AMEND, SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE POLICIES AND SURETY BONDS, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned Debtors for entry of a final order: (i) authorizing the Debtors to (a) continue to maintain the Insurance Policies[3] and Surety Bond Program and honor any premiums, deductibles, assessments, and other related payments and fees under the Insurance Policies and the Surety Bond Program, and (b) renew, revise, amend, supplement, or extend the existing Insurance Policies and Surety Bond, as well as purchase new insurance coverage and surety bonds, in the ordinary course of business; and (ii) granting certain related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* of

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Ligado Networks LLC (3801); ATC Technologies, LLC (N/A); Ligado Networks (Canada) Inc. (N/A); Ligado Networks Build LLC (N/A); Ligado Networks Corp. (N/A); Ligado Networks Finance LLC (N/A); Ligado Networks Holdings (Canada) Inc. (N/A); Ligado Networks Inc. of Virginia (9725); Ligado Networks Subsidiary LLC (N/A); One Dot Six LLC (8763); and One Dot Six TVCC LLC (N/A). The Debtors' headquarters is located at: 10802 Parkridge Boulevard, Reston, Virginia 20191.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

[3] For the avoidance of doubt, the term Insurance Policies shall include all insurance policies issued or providing coverage at any time to any of the Debtors or their predecessors, whether expired, current, or prospective, and any agreements, documents, and instruments related thereto, whether or not identified on **Exhibit C** to the Motion.

the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the notice of the Motion and of the opportunity to be heard at the hearing thereon were appropriate under the circumstances and that no other notice need be provided; and this Court having reviewed the Motion and the First Day Declaration and having heard the statements and argument in support of the relief requested at a hearing, if any, before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT**:

1. The Motion is granted on a final basis as set forth herein (this "Final Order").

2. The Debtors are authorized, but not required, in their sole discretion, to (i) continue to maintain and perform under the Insurance Policies and Surety Bond Program in accordance with the same practices and procedures as were in effect prior to the commencement of these chapter 11 cases and (ii) renew, revise, amend, supplement, or extend the existing Insurance Policies and Surety Bond Program, as well as purchase new insurance coverage and surety bonds, in each case, in the ordinary course of their business and consistent with past practice to the extent that the Debtors determine that such action is in the best interest of their estates.

3. The Debtors are authorized, but not directed, in their sole discretion, to pay and honor any and all prepetition and postpetition premiums, fees, and other obligations related to the Insurance Policies and Surety Bond Program, in the ordinary course of business during the course of these cases, including those that (i) accrued and were unpaid (in whole or in part) as of the

Petition Date; (ii) were paid by the Debtors prepetition, but such payment was lost or not otherwise received in full by the applicable payees; (iii) were incurred for prepetition periods but did not become due until after the Petition Date; or (iv) were inadvertently not paid in the ordinary course of business prior to the Petition Date.

4. Nothing in the Motion or this Final Order shall be construed as prejudicing the rights of the Debtors to dispute or contest the amount of, or basis for, any claims against the Debtors in connection with or relating to the Surety Bond Program, and nothing in this Final Order renders any claim by any third party based on a prepetition actual, potential, or asserted liability of the Debtors, which claim may or does result in a loss to a surety under the Surety Bond Program, into a postpetition claim or expense of administration.

5. Except as expressly set forth herein, to the extent any surety bond or any related agreement is deemed an executory contract within the meaning of section 365 of the Bankruptcy Code, neither this Final Order nor any payments made in accordance with this Final Order shall constitute the assumption or postpetition reaffirmation of any such surety bond or related agreement under section 365 of the Bankruptcy Code.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order, without any duty of further inquiry and without liability for following the Debtors' instructions.

7. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (i) an admission as to the

amount of, basis for, or validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any other party's right to dispute any claim; (iii) a promise or requirement to pay any particular claim; (iv) an admission that any particular claim is of a type described in the Motion; (v) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (vi) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (vii) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law.

8. Nothing in this Final Order or the Motion (a) alters, amends or modifies the terms and conditions of any of the Insurance Policies, including, but not limited to, (i) the obligation, if any, of any Insurance Carrier[4] to pay defense costs and any amounts within a deductible and the right, if any, of any Insurance Carrier to seek reimbursement from the Debtors therefor, (ii) the obligation, if any, of the Debtors to reimburse any Insurance Carrier for defense costs and any amounts within a deductible, and (iii) the right, if any, of any Insurance Carrier to draw on and apply any collateral to the obligations, if any, under the Insurance Policies to the extent that the Debtors fail to reimburse the Insurance Carrier therefor; (b) alters, amends, or modifies the Debtors' rights, obligations, or defenses under the Insurance Policies or applicable law; (c) creates or permits a direct right of action against an Insurance Carrier; (d) precludes or limits, in any way, the rights of any Insurance Carrier to contest and/or litigate the existence, primacy and/or scope of available coverage under any of the Insurance Policies; or (e) waives any Insurance Carrier's or third party administrator's claims or rights against the Debtors, any of the Debtors' subsidiaries or

[4] For the avoidance of doubt, the term Insurance Carrier shall include all insurance carriers and third-party administrators that issued or entered into the Insurance Policies, whether or not such insurance carriers and third party administrators are identified on **Exhibit C** the Motion.

affiliates, or any other person, entity, property or parties liable to such Insurance Carrier or third party administrator (whether under the Insurance Policies or otherwise).

9. The Debtors are authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

10. Nothing in this Final Order or the Motion shall be construed as prejudicing the rights of the Debtors to dispute or contest the amount of or basis for any claims against the Debtors in connection with or relating to the Insurance Policies and Surety Bond Program.

11. Notice of the Motion as described therein is deemed good and sufficient notice the Motion and the relief requested therein.

12. Notwithstanding Bankruptcy Rule 6004(h), the terms of this Final Order are immediately effective and enforceable upon its entry.

13. The Debtors are authorized to take all actions that are necessary and appropriate to effectuate the relief granted in this Final Order.

14. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Thomas M. Horan

Dated: February 3rd, 2025
Wilmington, Delaware

THOMAS M. HORAN
UNITED STATES BANKRUPTCY JUDGE

Appendix L - "Final Tax Order"

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
LIGADO NETWORKS LLC, *et al.*,[1]	)	Case No. 25-10006 (TMH)
Debtors.	)	(Jointly Administered)
	)	**D.I. 11, 91 & 103**

FINAL ORDER (I) AUTHORIZING THE PAYMENT OF CERTAIN TAXES AND FEES AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned Debtors for entry of a final order: (i) authorizing, but not directing, the Debtors to satisfy, pay, or use credits to offset, the Taxes and Fees that arose prior to the Petition Date (whether due and owing before or after the Petition Date), including all Taxes subsequently determined by audit or otherwise to be owed for periods prior to the Petition Date and to satisfy, pay, or use credits to offset any postpetition amounts that become due to the Authorities in the ordinary course of business during these cases; (ii) authorizing banks and financial institutions to receive, process, honor, and pay all checks issued or to be issued and electronic funds transfers requested or to be requested relating to the foregoing; and (iii) granting certain related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* of the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Ligado Networks LLC (3801); ATC Technologies, LLC (N/A); Ligado Networks (Canada) Inc. (N/A); Ligado Networks Build LLC (N/A); Ligado Networks Corp. (N/A); Ligado Networks Finance LLC (N/A); Ligado Networks Holdings (Canada) Inc. (N/A); Ligado Networks Inc. of Virginia (9725); Ligado Networks Subsidiary LLC (N/A); One Dot Six LLC (8763); and One Dot Six TVCC LLC (N/A). The Debtors' headquarters is located at: 10802 Parkridge Boulevard, Reston, Virginia 20191.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the notice of the Motion and of the opportunity to be heard at the hearing thereon were appropriate under the circumstances and that no other notice need be provided; and this Court having reviewed the Motion and the First Day Declaration and having heard the statements and argument in support of the relief requested at a hearing, if any, before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at any Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT**:

1. The Motion is granted on a final basis as set forth herein (this "Final Order").

2. The Debtors are authorized, but not directed, to remit and pay, or use credits to offset, Taxes and Fees, including all Taxes and Fees subsequently determined upon audit or otherwise to be owed for periods prior to the Petition Date, in the ordinary course of business during the course of these cases, in the aggregate amount not to exceed $160,000, including all Taxes and Fees that (i) accrued and were unpaid (in whole or in part) as of the Petition Date; (ii) were paid by the Debtors prepetition, but such payment was lost or not otherwise received in full by the Authorities; (iii) were incurred for prepetition periods but did not become due until after the Petition Date; or (iv) were inadvertently not paid in the ordinary course of business prior to the Petition Date. To the extent that the Debtors have overpaid any Taxes or Fees, the Debtors are authorized to seek a refund or credit on account of any such Taxes or Fees.

3. In the event the Debtors make a payment with respect to any Taxes for periods that begin prepetition and end postpetition ("Straddle Taxes"), and if the Court subsequently

determines that any portion of such Straddle Taxes is not entitled to treatment as a priority or administrative tax claim under Bankruptcy Code section 507(a)(8) or 503(b)(1)(B), the Debtors may, in their sole discretion (but shall not be required to), seek an order from the Court requiring a return of such amounts and the payment of such amount shall, upon order of the Court, be refunded to the Debtors.

4. The Debtors are authorized, but not directed, to continue the Debtors' offsetting practices with respect to any Taxes or Fees in the ordinary course during these cases.

5. Prior to making a payment to any of the Authorities under the Motion, the Debtors are authorized, but not directed, to settle some or all of the Taxes and Fees for less than their face amount without further notice or hearing. Such relief will be without prejudice to the Debtors' rights to contest the amounts of any Taxes or Fees on any grounds they deem appropriate or the Debtors' ability to request further relief related to the Taxes and Fees in the future.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to: (i) receive, process, honor, and pay all such checks and electronic payment requests when presented for payment and (ii) rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order, without any duty of further inquiry and without liability for following the Debtors' instructions.

7. The Debtors are authorized, but not directed, to issue postpetition checks, and to issue postpetition fund transfer requests in replacement of any checks or fund transfer requests that are dishonored as a consequence of the filing of these cases with respect to prepetition amounts owed in connection with the relief granted herein.

8. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (i) an admission as to the amount of, basis for, or validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any other party's right to dispute any claim; (iii) a promise or requirement to pay any particular claim; (iv) an admission that any particular claim is of a type described in the Motion; (v) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (vi) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (vii) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law.

9. Notice of the Motion as described therein is deemed good and sufficient notice of the Motion, and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

10. Notwithstanding Bankruptcy Rule 6004(h), the terms of this Final Order are immediately effective and enforceable upon its entry.

11. The Debtors are authorized to take all actions that are necessary and appropriate to effectuate the relief granted in this Final Order.

12. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Thomas M. Horan

Dated: January 31st, 2025
Wilmington, Delaware

THOMAS M. HORAN
UNITED STATES BANKRUPTCY JUDGE

Appendix M - "Final Utilities Order"

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
LIGADO NETWORKS LLC, *et al.*,[1]	)	Case No. 25-10006 (TMH)
Debtors.	)	(Jointly Administered)
	)	**Re: Docket No. 13, 92 & 105**

FINAL ORDER (I) APPROVING THE PROPOSED ADEQUATE ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES AND RELATED PROCEDURES, (II) PROHIBITING UTILITY COMPANIES TO ALTER, REFUSE, OR DISCONTINUE SERVICES, AND (III) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned Debtors for entry of a final order: (i) approving the proposed adequate assurance of payment for future Utility Services and the Adequate Assurance Procedures; (ii) prohibiting Utility Companies to alter, refuse, or discontinue services to the Debtors; and (iii) granting certain related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* of the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Ligado Networks LLC (3801); ATC Technologies, LLC (N/A); Ligado Networks (Canada) Inc. (N/A); Ligado Networks Build LLC (N/A); Ligado Networks Corp. (N/A); Ligado Networks Finance LLC (N/A); Ligado Networks Holdings (Canada) Inc. (N/A); Ligado Networks Inc. of Virginia (9725); Ligado Networks Subsidiary LLC (N/A); One Dot Six LLC (8763); and One Dot Six TVCC LLC (N/A). The Debtors' headquarters is located at: 10802 Parkridge Boulevard, Reston, Virginia 20191.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

the Debtors' notice of the Motion and of the opportunity to be heard in connection with the relief sought in the Motion were appropriate under the circumstances and no other notice need be provided, except as set forth herein; and this Court having reviewed the Motion and the First Day Declaration and having heard the statements and arguments in support of the relief requested therein at a hearing, if any, before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT**:

1. The Motion is granted on a final basis as set forth in this order (this "Final Order").

2. The Adequate Assurance Deposit, together with the Debtors' ability to pay for postpetition Utility Services in the ordinary course of business, subject to the Adequate Assurance Procedures, shall constitute adequate assurance of future payment as required by section 366 of the Bankruptcy Code.

3. The Debtors are directed to cause the Adequate Assurance Deposit to be held in the Adequate Assurance Account during the pendency of these chapter 11 cases. No liens shall encumber the Adequate Assurance Deposit or the Adequate Assurance Account.

4. The following Adequate Assurance Procedures are hereby approved on a final basis:

   a. The Debtors will serve a copy of the Motion and this Final Order on each Utility Company listed on the Utility Services List as soon as practicable following entry of this Final Order in accordance with Local Rule 9013-1(m)(iv).

   b. Within twenty (20) business days after entry of the Interim Order, the Debtors shall have deposited $70,000 into the Adequate Assurance Account to serve as the Adequate Assurance Deposit.

   c. If any amount on account of postpetition Utility Services is unpaid, and remains unpaid beyond any applicable grace period, the applicable Utility

Company may request a disbursement from the Adequate Assurance Account by giving notice to: (i) the Debtors, 10802 Parkridge Boulevard, Reston, VA 20191; (ii) proposed counsel to the Debtors, (1) Milbank LLP, (x) 55 Hudson Yards, New York, NY 10001, Attn: Dennis F. Dunne (ddunne@milbank.com), Matthew L. Brod (mbrod@milbank.com), and Lauren C. Doyle (ldoyle@milbank.com), and (y) 1850 K Street, NW, Suite 1100, Washington, DC 20006, Attn: Andrew M. Leblanc (aleblanc@milbank.com), and (2) Richards, Layton & Finger, PA, 920 North King Street, Wilmington, DE 19801, Attn: Mark D. Collins (collins@rlf.com), Michael J. Merchant (merchant@rlf.com), and Amanda R. Steele (steele@rlf.com); (iii) the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee"), 844 King Street, Wilmington, DE 19801, Attn: Benjamin Hackman (Benjamin.A.Hackman@usdoj.gov); (iv) counsel for the Ad Hoc Cross-Holder Group, Kirkland and Ellis, LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Brian Schartz (brian.schartz@kirkland.com), and Derek Hunter (derek.hunter@kirkland.com); (v) counsel for Ad Hoc First Lien Group, Sidley Austin LLP One South Dearborn, Chicago, Illinois 60603, Attn: Stephen E. Hessler (shessler@sidley.com), Jason Hufendick (jhufendick@sigley.com), and Dennis M. Twomey (dtwomey@sidley.com); and (vi) counsel for any statutory committee appointed in these chapter 11 cases (collectively, the "Adequate Assurance Notice Parties"). The Debtors shall honor such request within ten (10) business days after the date on which they receive the request, unless the Debtors and the requesting Utility Company resolve the issues raised in such request without resorting to disbursement from the Adequate Assurance Account. To the extent a Utility Company receives a disbursement from the Adequate Assurance Account, the Debtors shall replenish the Adequate Assurance Account in the amount so disbursed.

d. Any Utility Company desiring additional assurance of payment in the form of deposits, prepayments, or otherwise must serve an Additional Assurance Request on the Adequate Assurance Notice Parties.

e. Any Additional Assurance Request must (i) be in writing; (ii) identify the location(s) for which the applicable Utility Services are being provided and the applicable account number(s); (iii) provide evidence that the Debtors have a direct obligation to the Utility Company; (iv) summarize the Debtors' payment history relevant to the affected account(s) for the past twelve (12) months, including the outstanding overdue amount; (v) certify that the Utility Company is not being paid in advance for its services; and (vi) set forth the Utility Company's reasons for believing that the Proposed Adequate Assurance is not sufficient adequate assurance of future payment.

f. Any Utility Company that does not file an Additional Assurance Request shall be (i) deemed to have received adequate assurance of payment "satisfactory" to such Utility Company in compliance with section 366 of

the Bankruptcy Code and (ii) prohibited from (1) discontinuing, altering, refusing services to, or discriminating against, the Debtors on account of any unpaid prepetition charges or (2) requiring any assurance of payment other than the Proposed Adequate Assurance.

g. Upon the Debtors' receipt of an Additional Assurance Request, the Debtors shall have thirty (30) calendar days from the receipt thereof (the "Resolution Period") to negotiate a resolution of such Additional Assurance Request.

h. The Debtors may, in consultation with counsel to the Ad Hoc Cross-Holder Group and counsel to the Ad Hoc First Lien Group, and without further order of the Court, (i) resolve any Additional Assurance Request by mutual agreement with the applicable Utility Company and (ii) in connection with any such agreement, provide such Utility Company with additional adequate assurance of future payment, including, but not limited to, a cash deposit, prepayment, or another form of security.

i. If the Debtors determine, in consultation with counsel to the Ad Hoc Cross-Holder Group and counsel to the Ad Hoc First Lien Group, that the Additional Assurance Request is not reasonable and are unable to reach a resolution with the applicable Utility Company during the Resolution Period, they shall, during the Resolution Period or immediately thereafter, request a hearing before the Court to determine the adequacy of the Proposed Assurance of Payment with respect to such Utility Company pursuant to section 366(c)(3) of the Bankruptcy Code.

j. Pending resolution of the Additional Assurance Request by the Court, the applicable Utility Company shall be prohibited to alter, refuse, or discontinue its Utility Services to the Debtors on account of unpaid charges for prepetition services, a pending Adequate Assurance Request, or any objections to the Proposed Adequate Assurance.

k. Without a further order of the Court, (i) the portion of the Adequate Assurance Deposit attributable to any Utility Company shall be returned to the Debtors (1) on the date on which the Debtors reconcile and pay such Utility Company's final invoice in accordance with applicable non-bankruptcy law following the termination of the Utility Services provided by such Utility Company and (2) when there are no outstanding disputes related to postpetition payments due to such affected Utility Company and (ii) the Adequate Assurance Account may be closed, and any remaining portion of the Adequate Assurance Deposit returned to the Debtors, on the earlier of the effective date of the their chapter 11 plan or such other time that the applicable chapter 11 case is closed. Any funds returned to the Debtors pursuant to this provision shall be subject to the terms and conditions of any then-applicable debtor-in-possession financing or cash collateral order.

5. The Utility Companies are prohibited from requiring additional adequate assurance of payment other than pursuant to the Adequate Assurance Procedures.

6. Unless and until a Utility Company serves an Additional Assurance Request on the Debtors and the other Adequate Assurance Notice Parties, such Utility Company shall be: (i) deemed to have received adequate assurance of payment "satisfactory" to such Utility Company in compliance with section 366 of the Bankruptcy Code and (ii) prohibited from (a) discontinuing, altering, refusing services to, or discriminating against, the Debtors on account of any unpaid prepetition charges or (b) requiring any assurance of payment other than the Proposed Adequate Assurance.

7. The inclusion of any entity in, or the omission of any entity from, the Utility Services List shall not be deemed an admission by the Debtors that such entity is or is not a "utility" within the meaning of section 366 of the Bankruptcy Code, and the Debtors reserve all rights and defenses with respect thereto.

8. The Debtors are authorized, in consultation with counsel to the Ad Hoc Cross-Holder Group and counsel to the Ad Hoc First Lien Group, to amend the Utility Services List to add or remove any Utility Company, and this Final Order shall apply in all respects to any Utility Company that is subsequently added to the Utility Services List. For those Utility Companies that are subsequently added to the Utility Services List, the Debtors shall cause a copy of this Final Order, including the Adequate Assurance Procedures, to be served on such Utility Companies, along with an amended Utility Services List that includes such Utility Companies. The Debtors shall, as soon as possible after any Utility Company is added to the Utility Services List, increase the aggregate amount of the Adequate Assurance Deposit by the cost of two weeks of services provided by such subsequently added Utility Company, calculated as a historical average during

the twelve (12) month period prior to the Petition Date. A Utility Company added to the Utility Services List shall be permitted to make an Additional Assurance Request pursuant to the Adequate Assurance Procedures.

9. Upon the termination of Utility Services by any Utility Company, the Debtors may, in their discretion and without further order of this Court, reduce the Adequate Assurance Deposit by an amount equal to the lesser of (i) the estimated two-week cost of the Utility Services being discontinued and (ii) the amount of the Adequate Assurance Deposit then attributable to the applicable Utility Company. The Debtors may amend the Utility Services List to remove a Utility Company only after the Debtors have provided two weeks' advance notice to such Utility Company and have not received any objection from such Utility Company. If an objection is received, the Debtors shall request a hearing before this Court at the next omnibus hearing date, or such other date that the Debtors and the Utility Company may agree upon.

10. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the postpetition invoices of the Utility Companies in the ordinary course of business as approved herein are authorized to: (i) receive, process, honor, and pay all such checks and electronic payment requests when presented for payment and (ii) rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order, without any duty of further inquiry and without liability for following the Debtors' instructions.

11. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (i) an admission as to the amount of, basis for, or validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any other party's right to dispute any claim; (iii) a promise or requirement to pay any particular

claim; (iv) an admission that any particular claim is of a type described in the Motion; (v) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (vi) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (vii) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law.

12. Notice of the Motion as described therein is deemed good and sufficient notice of the Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

13. Notwithstanding Bankruptcy Rule 6004(h), the terms of this Final Order are immediately effective and enforceable upon its entry.

14. The Debtors are authorized to take all actions that are necessary and appropriate to effectuate the relief granted in this Final Order.

15. The Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Thomas M. Horan

Dated: February 3rd, 2025
Wilmington, Delaware

THOMAS M. HORAN
UNITED STATES BANKRUPTCY JUDGE

Appendix N - “Final Wages Order”

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
LIGADO NETWORKS LLC, *et al.*,[1]	)	Case No. 25-10006 (TMH)
Debtors.	)	(Jointly Administered)
	)	**D.I. 15, 94 & 107**

FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) SATISFY PREPETITION OBLIGATIONS ON ACCOUNT OF COMPENSATION AND BENEFITS PROGRAMS AND (B) CONTINUE COMPENSATION AND BENEFITS PROGRAMS, AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned Debtors for entry of a final order: (i) authorizing, but not directing, the Debtors to (a) pay and honor prepetition wages, salaries, reimbursable expenses, and other obligations on account of the Compensation and Benefits Programs and (b) maintain, and continue to honor and pay amounts with respect to, the Compensation and Benefits Programs, as such programs were in effect prior to the Petition Date and as they may be modified, amended, or supplemented from time to time, in the ordinary course of business, and (ii) granting certain related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* of the United States District Court for the District of

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Ligado Networks LLC (3801); ATC Technologies, LLC (N/A); Ligado Networks (Canada) Inc. (N/A); Ligado Networks Build LLC (N/A); Ligado Networks Corp. (N/A); Ligado Networks Finance LLC (N/A); Ligado Networks Holdings (Canada) Inc. (N/A); Ligado Networks Inc. of Virginia (9725); Ligado Networks Subsidiary LLC (N/A); One Dot Six LLC (8763); and One Dot Six TVCC LLC (N/A). The Debtors' headquarters is located at: 10802 Parkridge Boulevard, Reston, Virginia 20191.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Delaware, dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the notice of the Motion and of the opportunity to be heard at the hearing thereon were appropriate under the circumstances and that no other notice need be provided; and this Court having reviewed the Motion and the First Day Declaration and having heard the statements and argument in support of the relief requested at a hearing, if any, before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at any Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT**:

1. The Motion is granted on a final basis as set forth herein.

2. The Debtors are authorized, but not directed, to pay and/or honor all prepetition amounts and other obligations associated with the Compensation and Benefits Programs.

3. Nothing herein shall be deemed to authorize the payment of any amounts that violate or implicate section 503(c) of the Bankruptcy Code; *provided* that nothing herein shall prejudice the Debtors' ability to seek approval of relief pursuant to section 503(c) of the Bankruptcy Code under a separate motion at a later time; *provided further*, that the Debtors shall consult with counsel to the Ad Hoc Cross-Holder Group and counsel to the Ad Hoc First Lien Group at least three (3) business days prior to filing such motion.

4. The Debtors shall not make any payments under the Transaction Commission Plan, absent further order of the Court.

5. The Debtors are authorized, but not directed, to pay any accrued but unused Paid Leave and Vacation Leave or amounts on account of the Non-Insider Severance Program to any Employee whose employment terminates postpetition where the failure to do so would result in a violation of applicable federal, state, provincial, or foreign law.

6. The Debtors are authorized, but not directed, to continue to satisfy and/or honor any and all prepetition and postpetition amounts and/or other obligations on account of the Compensation and Benefits Programs and to otherwise continue such programs in the ordinary course of business and in accordance with the Debtors' prepetition policies and practices (as such may be modified, amended, or supplemented from time to time in the ordinary course of business, provided that the Debtors shall consult with counsel to the Ad Hoc Cross-Holder Group and counsel to the Ad Hoc First Lien Group at least five (5) business days prior to making any such modifications, amendments, or supplements that are not in the ordinary course of business).

7. The Debtors are authorized to pay and/or honor, in the ordinary course of business, any and all prepetition and postpetition costs and expenses incidental to the Compensation and Benefits Programs, including all administrative and processing costs and payments to third parties.

8. The Debtors are authorized to forward any unpaid amounts on account of Deductions, Payroll Taxes, or any other amounts collected on behalf of another party to the appropriate taxing authorities or other recipients in accordance with the Debtors' prepetition policies and practices.

9. The automatic stay set forth in section 362(a) of the Bankruptcy Code, if and to the extent applicable, is hereby modified solely to the extent necessary to permit (i) current and former Employees to proceed with their workers' compensation claims in the appropriate judicial or

administrative forum in accordance with the Workers' Compensation Programs[3] (whether arising before or after the Petition Date), (ii) direct action claims (whether arising before or after the Petition Date) to proceed in the appropriate judicial or administrative forum, (iii) the Debtors to take all steps necessary and appropriate with respect to the resolution of any such claims and to continue the Workers' Compensation Program and honor and pay all prepetition amounts relating thereto in the ordinary course of business, and (iv) any insurers and third party administrators to handle, administer, defend, settle and/or pay workers' compensation claims and direct action claims in the ordinary course of business in accordance with the terms of the Workers' Compensation Program and subject to all rights of the Debtors in connection therewith. The notice requirements pursuant to Bankruptcy Rule 4001(d) with respect to the above clauses (i)-(iv) are waived; provided that such claims are pursued in accordance with the Workers' Compensation Program and recoveries, if any, are limited to recoveries available under any applicable insurance policy. This modification of the automatic stay pertains solely to claims pursued under the Workers' Compensation Program and direct action claims.

10. Nothing in this Final Order or the Motion: (a) alters, amends or modifies the terms and conditions of the Workers' Compensation Program, including, but not limited to, (i) the obligation, if any, of any insurer or third party administrator to pay any defense costs and amounts within a deductible and the right, if any, of an insurer or third party administrator to seek reimbursement from the Debtors for defense costs and any amounts within a deductible, (ii) the obligation, if any, of the Debtors to reimburse any insurer or third party administrator therefor, and (iii) the right, if any, of any insurer or third party administrator to draw on and apply any collateral

[3] For the avoidance of doubt, the term "Workers' Compensation Program" shall include all workers' compensation insurance policies issued or providing coverage at any time to the Debtors or their predecessors, whether expired, current or prospective, and any agreements, documents, and instruments related thereto.

to the obligations, if any, under the Workers' Compensation Program to the extent that the Debtors fail to reimburse the insurer or third party administrator therefor; (b) alters, amends, or modifies the Debtors' rights, obligations, or defenses under the Workers' Compensation Program or applicable law; (c) creates or permits a direct right of action against any insurer or third party administrator; (d) precludes or limits, in any way, the rights of any insurer to contest and/or litigate the existence, primacy and/or scope of available coverage under the Workers' Compensation Program; or (e) waives any insurer's or third party administrator's claims or rights against the Debtors, any of the Debtors' subsidiaries or affiliates, or any other person, entity, property or parties liable to such insurer or third party administrator (whether under the Workers' Compensation Program or otherwise).

11. The Debtors shall maintain a matrix or schedule of amounts paid pursuant to the Bonus Programs and the Non-Insider Severance Program, subject to the terms and conditions of this Interim Order, including the following information: (i) the title of the claimant paid; (ii) the amount of the payment to such claimant; (iii) the total amount paid to the claimant to date; (iv) the payment date; and (v) the purpose of such payment. The Debtors shall provide a copy of such matrix or schedule on a confidential basis to counsel to Ad Hoc Cross-Holder Group and counsel to the Ad Hoc First Lien Group on a monthly basis.

12. The Financial Institutions on which checks were drawn or electronic payment requests made in payment of prepetition obligations on account of the Compensation and Benefit Programs are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment (to the extent of funds on deposit), and all such Financial Institutions are authorized to rely on the Debtors' designation of any particular check or electronic

payment request as approved by this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.

13. The Debtors are authorized to issue postpetition checks or effect new funds transfers on account of the unpaid obligations associated with the Compensation and Benefits Programs to replace any prepetition checks or funds transfer requests that may be lost, dishonored, or rejected as a result of the commencement of these chapter 11 cases.

14. Nothing contained herein is intended or should be construed to grant administrative priority status to any claim on account of any Compensation and Benefits Program that does not already exist pursuant to the Bankruptcy Code.

15. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (i) an admission as to the amount of, basis for, or validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any other party's right to dispute any claim; (iii) a promise or requirement to pay any particular claim; (iv) an admission that any particular claim is of a type described in the Motion; (v) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (vi) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (vii) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law.

16. Notice of the Motion as described therein shall be deemed good and sufficient notice of the Motion, and the requirements of Bankruptcy Rule 6004(a) are satisfied by such notice.

17. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

18. The Debtors are authorized to take all actions that are necessary and appropriate to effectuate the relief granted in this Final Order.

19. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Thomas M. Horan

Dated: February 3rd, 2025
Wilmington, Delaware

THOMAS M. HORAN
UNITED STATES BANKRUPTCY JUDGE

Appendix O - "Proposed Second DIP Budget"

Ligado Networks LLC
Proposed 13-Week Forecast (Feb 3, 2025 through May 4, 2025)
US$ 000s

Draft - Subject to DIP Lender Approval

13 Week - Cumul Week Ending Date	Week 5 Feb-9	Week 6 Feb-16	Week 7 Feb-23	Week 8 Mar-2	Week 9 Mar-9	Week 10 Mar-16	Week 11 Mar-23	Week 12 Mar-30	Week 13 Apr-6	Week 14 Apr-13	Week 15 Apr-20	Week 16 Apr-27	Week 17 May-4	Total
Receipts	$ 200	$ 200	$ 278	$ 278	$ 278	$ 278	$ 278	$ 278	$ 278	$ 292	$ 292	$ 227	$ 190	**$ 3,348**
Operating Disbursements														
Employee Related	756	-	756	-	675	-	675	-	2,058	-	673	-	654	6,247
Network	201	616	78	217	196	209	62	217	2,087	212	62	217	197	4,571
General & Administrative	303	1,164	790	64	714	290	35	161	470	504	35	15	318	4,863
Total Operating Disbursements	**$ 1,259**	**$ 1,780**	**$ 1,623**	**$ 282**	**$ 1,585**	**$ 499**	**$ 772**	**$ 378**	**$ 4,614**	**$ 716**	**$ 770**	**$ 232**	**$ 1,170**	**$ 15,681**
Operating Cash Flow	**$ (1,059)**	**$ (1,580)**	**$ (1,345)**	**$ (4)**	**$ (1,307)**	**$ (221)**	**$ (494)**	**$ (100)**	**$ (4,336)**	**$ (424)**	**$ (479)**	**$ (6)**	**$ (980)**	**$ (12,333)**
Capex & Other Non-Operating Disbursements	**-**	**250**	**-**	**-**	**66**	**3,000**	**-**	**-**	**30**	**-**	**2,000**	**-**	**612**	**5,958**
Total Financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Professional Fees	**-**	**580**	**134**	**4,270**	**347**	**134**	**101**	**7,784**	**1,450**	**101**	**97**	**397**	**7,398**	**22,795**
Net Cash Flow	**$ (1,059)**	**$ (2,410)**	**$ (1,480)**	**$ (4,274)**	**$ (1,719)**	**$ (3,355)**	**$ (595)**	**$ (7,884)**	**$ (5,816)**	**$ (525)**	**$ (2,576)**	**$ (403)**	**$ (8,989)**	**$ (41,086)**
												-	-	
Beginning Unrestricted Cash	11,835	10,776	31,366	29,886	25,612	23,893	20,538	19,943	12,059	6,244	5,718	3,142	47,739	11,835
Net Cash Flow	(1,059)	(2,410)	(1,480)	(4,274)	(1,719)	(3,355)	(595)	(7,884)	(5,816)	(525)	(2,576)	(403)	(8,989)	(41,086)
DIP Draw / (Repayment)	-	23,000	-	-	-	-	-	-	-	-	-	45,000	-	68,000
Ending Unrestricted Cash	**$ 10,776**	**$ 31,366**	**$ 29,886**	**$ 25,612**	**$ 23,893**	**$ 20,538**	**$ 19,943**	**$ 12,059**	**$ 6,244**	**$ 5,718**	**$ 3,142**	**$ 47,739**	**$ 38,750**	**$ 38,750**
Minimum Cash - Test	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Cash Surplus / (Deficit)	**$ 776**	**$ 21,366**	**$ 19,886**	**$ 15,612**	**$ 13,893**	**$ 10,538**	**$ 9,943**	**$ 2,059**	**$ (3,756)**	**$ (4,282)**	**$ (6,858)**	**$ 37,739**	**$ 28,750**	**$ 28,750**

Appendix P - "February Cash Flow Forecast"

Networks Corp., Holdings, and Networks Inc. (the Canadian Debtors)

Proposed Cash Flow Forecast of the Canadian Debtors (consolidated)
US$ 000s

Forecast Week Forecast Week Ending	[1]	Week 5 Feb-9	Week 6 Feb-16	Week 7 Feb-23	Week 8 Mar-2	Week 9 Mar-9	Week 10 Mar-16	Week 11 Mar-23	Week 12 Mar-30	Week 13 Apr-6	Week 14 Apr-13	Week 15 Apr-20	Week 16 Apr-27	Week 17 May-4	13 Week Total
Receipts	[2]	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20	**$ 260**
Operating Disbursements															
Employee Related	[3]	170	-	170	-	152	-	152	-	464	-	152	-	148	1,409
Network	[4]	31	55	5	55	9	56	-	55	13	57	-	55	9	400
General & Administrative	[5]	30	20	13	2	26	8	-	2	23	10	-	0	16	151
Total Operating Disbursements		**$ 231**	**$ 76**	**$ 188**	**$ 57**	**$ 187**	**$ 64**	**$ 152**	**$ 57**	**$ 500**	**$ 67**	**$ 152**	**$ 55**	**$ 173**	**$ 1,959**
Operating Cash Flow		**$ (211)**	**$ (56)**	**$ (168)**	**$ (37)**	**$ (167)**	**$ (44)**	**$ (132)**	**$ (37)**	**$ (480)**	**$ (47)**	**$ (132)**	**$ (35)**	**$ (153)**	**$ (1,699)**
Total Professional Fees	[6]	**-**	**307**	**112**	**112**	**112**	**112**	**84**	**84**	**84**	**84**	**81**	**81**	**81**	**1,336**
Net Cash Flow		**$ (211)**	**$ (362)**	**$ (280)**	**$ (149)**	**$ (279)**	**$ (156)**	**$ (217)**	**$ (122)**	**$ (564)**	**$ (131)**	**$ (213)**	**$ (116)**	**$ (234)**	**$ (3,035)**
									-	-	-	-	-	-	
Beginning Unrestricted Cash		601	1,362	1,000	1,149	1,000	1,156	1,000	1,122	1,000	1,131	1,000	1,116	1,000	601
Net Cash Flow		(211)	(362)	(280)	(149)	(279)	(156)	(217)	(122)	(564)	(131)	(213)	(116)	(234)	(3,035)
Transfer from Ligado Networks	[7]	972	-	429	-	435	-	338	-	695	-	330	-	358	3,558
Ending Unrestricted Cash		**$ 1,362**	**$ 1,000**	**$ 1,149**	**$ 1,000**	**$ 1,156**	**$ 1,000**	**$ 1,122**	**$ 1,000**	**$ 1,131**	**$ 1,000**	**$ 1,116**	**$ 1,000**	**$ 1,124**	**$ 1,124**

Notes to the Cash Flow Forecast:

[1] The purpose of the Cash Flow Forecast is to estimate the liquidity requirements of Ligado Networks Corp. ("**Networks Corp**."), Ligado Networks Holdings (Canada) Inc. ("**Holdings**") and Ligado Networks (Canada) Inc. ("**Networks Inc.**", and collectively with Networks Corp. and Holdings, the "**Canadian Debtors**") during the forecast period. The forecast above is presented in United States Dollars.

[2] Receipts include receipts from satellite revenue which have been forecast based on current payment terms, historical trends in collections, and expected demand as well as other miscellaneous receipts.

[3] Forecast Employee Related Disbursements reflect the current staffing levels and recent payroll amounts, inclusive of any payments associated with the Company's bonus programs.

[4] Forecast Network Costs is based on expected facilities and telecomm costs associated with maintaining the satellite network.

[5] Forecast General and Administrative Expenses include payments related to other operating expenses such as rent, utilities and other miscellaneous disbursements.

[6] Professional Fees include fees for Canadian counsel to Ligado as the Foreign Representative, the Information Officer, and the Information Officer's Counsel.

[7] Forecast Transfers from Ligado Networks are based on funding requirements for the Canadian Debtors and maintaining a minimum operating cash balance of $1 million.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT* R.S.C. 1985, c. C 36, AS AMENDED

Court File No.: CV- 25-00734802-00CL

AND IN THE MATTER OF LIGADO NETWORKS LLC, LIGADO NETWORKS CORP., LIGADO NETWORKS HOLDINGS (CANADA) INC., LIGADO NETWORKS (CANADA) INC., ATC TECHNOLOGIES, LLC, LIGADO NETWORKS INC. OF VIRGINIA, ONE DOT SIX LLC, ONE DOT SIX TVCC LLC, LIGADO NETWORKS SUBSIDIARY LLC, LIGADO NETWORKS FINANCE LLC and LIGADO NETWORKS BUILD LLC

APPLICATION OF LIGADO NETWORKS LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C 36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

FIRST REPORT OF THE INFORMATION OFFICER

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