

# Speedcast: Strengthening Our Business



Speedcast has taken decisive action to strengthen our business by initiating a chapter 11 restructuring process in the U.S. This process is designed to help companies like Speedcast continue to serve customers as usual while they work to achieve their financial goals – and that is exactly what we intend to do. Speedcast will use this process to restructure our balance sheet and give our business access to new sources of capital. Our goal is to emerge from this process within six months with a financial position that matches our clear leadership as the world’s largest global satellite provider specialized in satellite connectivity for business and enterprise networks.



## Why is Speedcast restructuring?

Speedcast’s underlying business is strong. However, many of our largest customers are in the maritime and oil and gas industries, and the difficult times they’re experiencing have had an effect on our business. These trends, combined with the impact the Coronavirus has had on our cruise line customers, made it impossible for Speedcast to complete our planned equity raise – or any recapitalization transaction – outside of the Court-supervised process we’ve now begun. We believe the chapter 11 process will allow us to continue to operate our business as usual and achieve our financial goals without entering Voluntary Administration in Australia, or initiating a restructuring process in any other country. We are confident that chapter 11 process is the best and most efficient path forward for Speedcast.

## How will this position Speedcast for future growth?

The current restructuring process accelerates Speedcast’s transformation plan to provide us with the balance sheet strength we need to move forward with our financial goals as our customers’ industries – and the global economy – recover. In fact, we are already in a stronger financial position than we were in prior to this process based on the commitment for up to \$90 million in new money financing we have received from a group of our key existing lenders. This process allows us to right-size our balance sheet and focus our full energy on serving our customers and growing our business.

## Have other companies emerged successfully from this process?

Yes. Many large companies – both in the U.S. and across the globe – have successfully used this process to achieve their goals and have gone on to be successful, standalone businesses. Key examples include General Motors, Westinghouse, and Iridium.



GENERAL MOTORS



## Which entities are involved in this process?

All of Speedcast’s businesses across the globe – regardless of their status in the chapter 11 process – are operating as usual and delivering the highest quality of service to our customers. None of the entities associated with Speedcast’s Government Business Entities (UltiSat, Inc., Globecomm Systems Inc. and all associated entities) have filed for chapter 11 relief. The Government Business is fully financially independent and continues to operate as usual. A full list of filing entities is available at <http://www.kccllc.net/speedcast>.

## What does this mean for you?



**Customers:** We will continue to deliver the highest quality of service safely and efficiently. We are taking the necessary steps to ensure that we are able to meet our commitments to you throughout this process.



**Employees:** You should see no change in your day-to-day roles and responsibilities. We fully expect that pay and company-sponsored benefits processes will remain fully in place moving forward. You should continue to complete your work responsibilities as usual to support the needs of the business and our customers.



**Suppliers:** We intend to pay you for all goods and services delivered from April 23, 2020 forward. Invoices from before we began these restructuring proceedings will be addressed as part of this process, if they involve an impacted entity.



**Investors:** Shares of our company’s stock will continue to be suspended throughout this process.

# Understanding the Chapter 11 Restructuring Process



## What is Chapter 11?

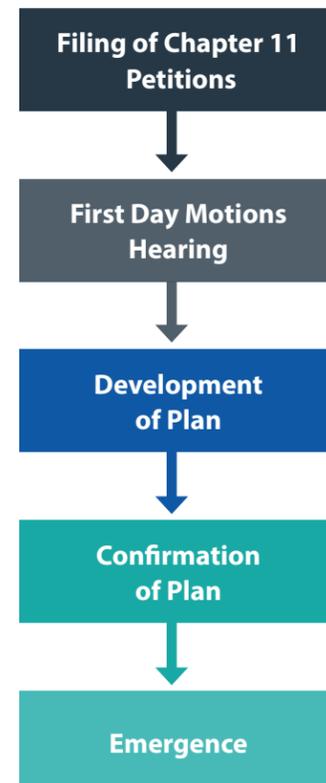


The U.S. chapter 11 process is a proven and reliable legal process for corporate restructurings. Typical chapter 11 restructurings, as we expect for Speedcast, involve a balance sheet restructuring to strengthen the balance sheet, give the business access to new sources of capital and funding, and position it for growth on emergence from the process.

**Speedcast's existing management team will continue to drive our Company's business strategy throughout the process.**

**We intend to complete this process within six months.**

## What is the Process?



**Speedcast has initiated a chapter 11** process in the United States Bankruptcy Court for the Southern District of Texas. The filing of the chapter 11 petitions gives our Company access to the Court's protection and thus gives us the time we need to address our financial challenges.

This hearing will focus on the **key motions that allow a company to operate "business as usual,"** including access to additional sources of financing as well as authority to continue paying employees on normal pay cycles and honoring existing benefit programs; accessing our bank accounts and otherwise operating as usual.

**Speedcast and its creditors will work to agree on a "Plan of Reorganization"** that outlines how the creditors' claims will be addressed and how Speedcast will restructure.

**The creditors will vote on the final, negotiated Plan of Reorganization.** If they approve it, the Plan is then confirmed by the Bankruptcy Court. Creditors vote individually but are counted by class; acceptance of the class **requires affirmative votes by creditors holding at least two-thirds of the total value** for all allowed claims in the class **and more than half of the total number** of allowed claims in the class.

After the **Plan is confirmed by the Bankruptcy Court**, and following any necessary regulatory approvals, the Company is ready to "emerge" from its chapter 11 proceedings, and **the Company can implement the approved Plan.**