

To the Stockholders and Board of Directors
DISH Network Corporation:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of DISH Network Corporation and subsidiaries (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Sufficiency of audit evidence over revenue

As discussed in Note 16 to the consolidated financial statements, the Company had \$16.7 billion in revenue for the year ended December 31, 2022, of which \$12.5 billion was Pay-TV related and \$4.2 billion was Wireless related. Both categories of revenue have multiple revenue streams and certain aspects of the Company's processes and information technology (IT) systems differ among the revenue streams.

We identified the evaluation of sufficiency of audit evidence over certain revenue streams as a critical audit matter. The number of revenue streams and the revenue-related IT applications required a high-degree of auditor judgment to evaluate the sufficiency of audit evidence over revenue. Subjective auditor judgment was required to evaluate that revenue data was captured and aggregated throughout these various IT applications. Additionally, IT professionals with specialized skills and knowledge were required to evaluate the nature and extent of evidence obtained over certain revenue streams.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over revenue. For each revenue stream where procedures were performed, we evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's revenue recognition process, including recording of revenue. We also evaluated the design and tested the operating effectiveness of certain general IT and application controls. We involved IT professionals with specialized skills and knowledge, who assisted in testing certain IT applications used by the Company in its revenue recognition processes and the transfer of relevant revenue data between certain systems used in the revenue recognition processes. For certain revenue streams, we assessed the recorded revenue by comparing total cash received during the year, adjusted for reconciling items, to the revenue recognized. Such assessment also evaluated the relevance and reliability of reconciling items to underlying documentation, including the changes in accounts receivable and deferred revenue.

We evaluated the sufficiency of audit evidence obtained by assessing the results of the procedures performed, including the appropriateness of the nature and extent of such evidence.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Denver, Colorado
February 22, 2023

DISH NETWORK CORPORATION
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share amounts)

	As of December 31,	
	2022	2021
Assets		
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 1,785,056	\$ 2,428,188
Marketable investment securities	835,983	2,975,518
Trade accounts receivable, net of allowance for credit losses of \$44,431 and \$38,534, respectively	953,812	942,561
Inventory	502,373	534,937
Other current assets	532,886	641,978
Total current assets	4,610,110	7,523,182
<i>Noncurrent Assets:</i>		
Restricted cash, cash equivalents and marketable investment securities	104,614	5,334,768
Property and equipment, net	5,640,119	3,257,787
FCC authorizations	36,933,073	28,632,665
Other investment securities	168,200	150,941
Operating lease assets	2,687,522	1,493,410
Other noncurrent assets, net	1,897,815	934,293
Intangible assets, net	565,109	674,679
Total noncurrent assets	47,996,452	40,478,543
Total assets	\$ 52,606,562	\$ 48,001,725
Liabilities and Stockholders' Equity (Deficit)		
<i>Current Liabilities:</i>		
Trade accounts payable	\$ 924,438	\$ 848,224
Deferred revenue and other	711,474	761,347
Accrued programming	1,298,777	1,376,770
Accrued interest	258,799	288,308
Other accrued expenses	1,283,570	1,179,427
Current portion of long-term debt and finance lease obligations (Note 10)	1,547,190	2,061,810
Total current liabilities	6,024,248	6,515,886
<i>Long-Term Obligations, Net of Current Portion:</i>		
Long-term debt and finance lease obligations, net of current portion (Note 10)	19,801,948	19,355,206
Deferred tax liabilities	4,930,135	4,226,266
Operating lease liabilities	2,687,883	1,453,395
Long-term deferred revenue and other long-term liabilities	753,708	527,859
Total long-term obligations, net of current portion	28,173,674	25,562,726
Total liabilities	34,197,922	32,078,612
Commitments and Contingencies (Note 15)		
Redeemable noncontrolling interests (Note 2)	464,359	395,222
<i>Stockholders' Equity (Deficit):</i>		
Class A common stock, \$0.01 par value, 1,600,000,000 shares authorized, 292,660,308 and 290,529,607 shares issued and outstanding, respectively	2,927	2,905
Class B common stock, \$0.01 par value, 800,000,000 shares authorized, 238,435,208 shares issued and outstanding	2,384	2,384
Additional paid-in capital	4,851,392	4,735,484
Accumulated other comprehensive income (loss)	(3,029)	281
Accumulated earnings (deficit)	13,088,850	10,785,617
Total DISH Network stockholders' equity (deficit)	17,942,524	15,526,671
Noncontrolling interests	1,757	1,220
Total stockholders' equity (deficit)	17,944,281	15,527,891
Total liabilities and stockholders' equity (deficit)	\$ 52,606,562	\$ 48,001,725

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

DISH NETWORK CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Dollars in thousands, except per share amounts)

	For the Years Ended December 31,		
	2022	2021	2020
Revenue:			
Service revenue	\$ 16,005,620	\$ 16,890,729	\$ 14,846,024
Equipment sales and other revenue	673,787	990,377	647,411
Total revenue	<u>16,679,407</u>	<u>17,881,106</u>	<u>15,493,435</u>
Costs and Expenses (exclusive of depreciation):			
Cost of services	9,558,884	10,185,942	9,094,007
Cost of sales - equipment and other	1,812,191	1,552,341	939,721
Selling, general and administrative expenses	2,545,593	2,214,936	1,806,122
Impairment of long-lived assets (Note 2)	—	—	356,418
Depreciation and amortization	717,073	724,852	714,552
Total costs and expenses	<u>14,633,741</u>	<u>14,678,071</u>	<u>12,910,820</u>
Operating income (loss)	<u>2,045,666</u>	<u>3,203,035</u>	<u>2,582,615</u>
Other Income (Expense):			
Interest income	42,776	11,338	22,734
Interest expense, net of amounts capitalized	(22,781)	(16,174)	(12,974)
Other, net	1,038,982	20,557	(20,164)
Total other income (expense)	<u>1,058,977</u>	<u>15,721</u>	<u>(10,404)</u>
Income (loss) before income taxes	3,104,643	3,218,756	2,572,211
Income tax (provision) benefit, net	(731,736)	(762,810)	(698,275)
Net income (loss)	<u>2,372,907</u>	<u>2,455,946</u>	<u>1,873,936</u>
Less: Net income (loss) attributable to noncontrolling interests, net of tax	69,674	45,304	111,263
Net income (loss) attributable to DISH Network	<u>\$ 2,303,233</u>	<u>\$ 2,410,642</u>	<u>\$ 1,762,673</u>
Weighted-average common shares outstanding - Class A and B common stock:			
Basic	<u>530,114</u>	<u>527,844</u>	<u>524,761</u>
Diluted	<u>637,290</u>	<u>636,063</u>	<u>584,360</u>
Earnings per share - Class A and B common stock:			
Basic net income (loss) per share attributable to DISH Network	<u>\$ 4.34</u>	<u>\$ 4.57</u>	<u>\$ 3.36</u>
Diluted net income (loss) per share attributable to DISH Network	<u>\$ 3.61</u>	<u>\$ 3.79</u>	<u>\$ 3.02</u>
Comprehensive Income (Loss):			
Net income (loss)	<u>\$ 2,372,907</u>	<u>\$ 2,455,946</u>	<u>\$ 1,873,936</u>
<i>Other comprehensive income (loss):</i>			
Foreign currency translation adjustments	(4,160)	1,787	(827)
Unrealized holding gains (losses) on available-for-sale debt securities	191	(208)	(29)
Recognition of previously unrealized (gains) losses on available-for-sale securities included in net income (loss)	(7)	(13)	(62)
Deferred income tax (expense) benefit, net	666	(430)	81
Total other comprehensive income (loss), net of tax	<u>(3,310)</u>	<u>1,136</u>	<u>(837)</u>
Comprehensive income (loss)	<u>2,369,597</u>	<u>2,457,082</u>	<u>1,873,099</u>
Less: Comprehensive income (loss) attributable to noncontrolling interests, net of tax	69,674	45,304	111,263
Comprehensive income (loss) attributable to DISH Network	<u>\$ 2,299,923</u>	<u>\$ 2,411,778</u>	<u>\$ 1,761,836</u>

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

DISH NETWORK CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands)

	Class A and B Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Noncontrolling Interests	Total	Redeemable Noncontrolling Interests
Balance, December 31, 2019	\$ 5,230	\$ 4,947,007	\$ (18)	\$ 6,612,302	\$ (449)	\$ 11,564,072	\$ 552,075
Issuance of Class A common stock:							
Exercise of stock awards	15	9,425	—	—	—	9,440	—
Employee benefits	8	28,293	—	—	—	28,301	—
Employee Stock Purchase Plan	8	17,966	—	—	—	17,974	—
Non-cash, stock-based compensation	—	64,954	—	—	—	64,954	—
Change in unrealized holding gains (losses) on available-for-sale debt securities, net	—	—	(91)	—	—	(91)	—
Deferred income tax (expense) benefit attributable to other comprehensive income (loss)	—	—	81	—	—	81	—
Foreign currency translation	—	—	(827)	—	—	(827)	—
Initial equity component of our 0% convertibles due 2025, net of deferred taxes of \$99,823	—	329,409	—	—	—	329,409	—
Northstar Spectrum LLC Purchase Agreement	—	—	—	—	—	—	(311,735)
Net income (loss) attributable to noncontrolling interests	—	—	—	—	955	955	110,308
Net income (loss) attributable to DISH Network	—	—	—	1,762,673	—	1,762,673	—
Other	—	3,720	—	—	(16)	3,704	—
Balance, December 31, 2020	\$ 5,261	\$ 5,400,774	\$ (855)	\$ 8,374,975	\$ 490	\$ 13,780,645	\$ 350,648
Issuance of Class A common stock:							
Exercise of stock awards	13	40,551	—	—	—	40,564	—
Employee benefits	9	30,312	—	—	—	30,321	—
Employee Stock Purchase Plan	6	17,733	—	—	—	17,739	—
Non-cash, stock-based compensation	—	51,680	—	—	—	51,680	—
Convertible debt reclassified per ASU 2020-06, net of deferred taxes of \$245,778 (Note 2)	—	(805,566)	—	—	—	(805,566)	—
Change in unrealized holding gains (losses) on available-for-sale debt securities, net	—	—	(221)	—	—	(221)	—
Deferred income tax (expense) benefit attributable to other comprehensive income (loss)	—	—	(430)	—	—	(430)	—
Foreign currency translation	—	—	1,787	—	—	1,787	—
Net income (loss) attributable to noncontrolling interests	—	—	—	—	730	730	44,574
Net income (loss) attributable to DISH Network	—	—	—	2,410,642	—	2,410,642	—
Balance, December 31, 2021	\$ 5,289	\$ 4,735,484	\$ 281	\$ 10,785,617	\$ 1,220	\$ 15,527,891	\$ 395,222
Issuance of Class A common stock:							
Exercise of stock awards	1	199	—	—	—	200	—
Employee benefits	8	26,340	—	—	—	26,348	—
Employee Stock Purchase Plan	13	17,919	—	—	—	17,932	—
Non-cash, stock-based compensation	—	71,450	—	—	—	71,450	—
Change in unrealized holding gains (losses) on available-for-sale debt securities, net	—	—	184	—	—	184	—
Deferred income tax (expense) benefit attributable to other comprehensive income (loss)	—	—	666	—	—	666	—
Foreign currency translation	—	—	(4,160)	—	—	(4,160)	—
Net income (loss) attributable to noncontrolling interests	—	—	—	—	537	537	69,137
Net income (loss) attributable to DISH Network	—	—	—	2,303,233	—	2,303,233	—
Balance, December 31, 2022	\$ 5,311	\$ 4,851,392	\$ (3,029)	\$ 13,088,850	\$ 1,757	\$ 17,944,281	\$ 464,359

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

DISH NETWORK CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Years Ended December 31,		
	2022	2021	2020
Cash Flows From Operating Activities:			
Net income (loss)	\$ 2,372,907	\$ 2,455,946	\$ 1,873,936
<i>Adjustments to reconcile net income (loss) to net cash flows from operating activities:</i>			
Depreciation and amortization	717,073	724,852	714,552
Impairment of long-lived assets (Note 2)	—	—	356,418
Realized and unrealized losses (gains) on investments, derivatives and other	(1,040,651)	19,724	21,822
Non-cash, stock-based compensation	71,450	51,680	64,954
Deferred tax expense (benefit)	702,735	602,044	899,173
Changes in allowance for credit losses	5,819	(33,836)	28,622
Change in long-term deferred revenue and other long-term liabilities	86,039	(1,400)	(244,660)
Other, net	235,856	98,278	4,735
Changes in current assets and current liabilities, net			
Trade accounts receivable	(24,234)	209,456	(25,172)
Prepaid and accrued income taxes	(36,115)	81,197	(84,633)
Inventory	36,722	(167,985)	58,291
Other current assets	27,992	(62,356)	(271,227)
Trade accounts payable	79,116	101,034	73,268
Deferred revenue and other	(52,105)	(98,808)	(499)
Accrued programming and other accrued expenses	(90,504)	51,425	(157,804)
Net cash flows from operating activities	3,092,100	4,031,251	3,311,776
Cash Flows From Investing Activities:			
Purchases of marketable investment securities	(898,326)	(4,687,033)	(1,902,599)
Sales and maturities of marketable investment securities	3,023,236	2,069,343	1,944,748
Purchases of property and equipment	(2,727,302)	(1,185,642)	(413,302)
Capitalized interest related to FCC authorizations (Note 2)	(984,309)	(777,885)	(779,204)
Refund of FCC authorization deposit	—	337,490	—
Purchases of FCC authorizations, including deposits	(7,206,865)	(122,657)	(1,387,542)
Boost Mobile Acquisition	—	—	(1,312,500)
Other, net	6,527	(44,029)	(11,173)
Net cash flows from investing activities	(8,787,039)	(4,410,413)	(3,861,572)
Cash Flows From Financing Activities:			
Repayment of long-term debt and finance lease obligations	(83,117)	(89,876)	(100,536)
Redemption and repurchases of senior notes	(2,056,821)	(2,000,000)	(1,100,000)
Northstar Spectrum LLC Purchase Agreement	—	—	(311,735)
Proceeds from issuance of senior notes	2,000,000	6,750,000	1,000,000
Proceeds from issuance of convertible notes	—	—	2,000,000
Net proceeds from Class A common stock options exercised and stock issued under the Employee Stock Purchase Plan	18,132	58,303	27,414
Debt issuance costs and debt discount	(51,121)	(34,459)	(15,675)
Other, net	(18,413)	(24,540)	2
Net cash flows from financing activities	(191,340)	4,659,428	1,499,470
Net increase (decrease) in cash, cash equivalents, restricted cash and cash equivalents	(5,886,279)	4,280,266	949,674
Cash, cash equivalents, restricted cash and cash equivalents, beginning of period (Note 6)	7,734,260	3,453,994	2,504,320
Cash, cash equivalents, restricted cash and cash equivalents, end of period (Note 6)	<u>\$ 1,847,981</u>	<u>\$ 7,734,260</u>	<u>\$ 3,453,994</u>

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