



**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attached.

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**18** Can any resulting loss be recognized? ▶ See attached.

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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached.

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶ *J. Toscano* Date ▶ 4/11/22

<b>Paid Preparer Use Only</b>	Print your name ▶ <u>JOSE MANUEL TOSCANO</u>	Preparer's signature ▶ <u><i>Jeffrey E. Clegg</i></u>	Date ▶ <u>4/11/22</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P00645431</u>
	Print/Type preparer's name	Jeffrey E. Clegg			
	Firm's name ▶ <u>Deloitte Tax LLP</u>			Firm's EIN ▶ <u>86-1065772</u>	
	Firm's address ▶ <u>7900 Tysons One Place, Suite 800, Mclean, VA 22102</u>			Phone no. <u>571-766-7777</u>	

**Intelsat S.A. / Intelsat Emergence S.A.**  
**EIN: 98-1009418 / 98-1649180**  
**Attachment to Form 8937**

**The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”),<sup>1</sup> and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Emergence Transactions (as defined below) on certain securities. The information contained herein does not constitute tax advice and does not purport to be complete or describe the tax consequences that may apply to particular persons or categories of persons. You are encouraged to consult your own tax advisor regarding the applicability and effect of all United States (“U.S.”) federal, state, local and foreign tax laws.**

**Form 8937, Line 9**

The ICF Notes, Intelsat Notes, LuxCo Notes, Jackson Secured Notes, and Jackson Unsecured Notes (each defined below).

The New TopCo Common Stock and New TopCo Warrants (each defined below).

The Intelsat Common Stock and Intelsat Warrants (each defined below).

**Form 8937, Line 14**

On May 13, 2020, Intelsat S.A. (“Intelsat” or the “Company”) and certain of its subsidiaries (the “Debtors”) filed voluntary petitions for relief (the “Chapter 11 Cases”) under title 11 of the United States Code in the United States Bankruptcy Court for the Eastern District of Virginia, (the “Bankruptcy Court”). On December 17, 2021, the Bankruptcy Court approved and confirmed the Debtors’ *Fourth Amended Joint Chapter 11 Plan of Reorganization of Intelsat S.A. and its Debtor Affiliates*, as amended and supplemented (the “Bankruptcy Plan”). The Bankruptcy Plan became effective on February 23, 2022 (the “Plan Effective Date”), and the Debtors emerged from their Chapter 11 Cases.

On the Plan Effective Date, the following transactions (the “Emergence Transactions”) occurred:

- The unsecured creditors of Intelsat Connect Finance S.à r.l., formerly known as Intelsat Connect Finance S.A (“ICF” and the “ICF Creditors”), an indirect wholly owned subsidiary of Intelsat, exchanged a portion of their claims against ICF (the “ICF Notes”) for: (i) cash from Intelsat Envision Holdings LLC (“Envision”), a

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<sup>1</sup> Unless otherwise specified herein, all “section” references herein are to the Code.

disregarded entity of Intelsat (Luxembourg) S.à r.l., formerly known as Intelsat (Luxembourg) S.A. (“LuxCo”), an indirect wholly owned subsidiary of Intelsat; **(ii)** cash and contingent value rights from Intelsat Jackson Holdings S.A. (“Jackson” and the “Jackson CVRs”),<sup>2</sup> an indirect wholly owned subsidiary of Intelsat; and **(iii)** cash from ICF (the “ICF Notes Partial Settlement”).

- The unsecured creditors of Intelsat (the “Intelsat Creditors”) exchanged a portion of their claims against Intelsat (the “Intelsat Notes”) for: **(i)** cash from Envision; **(ii)** cash from Jackson; and **(iii)** cash from Intelsat (the “Intelsat Notes Partial Settlement”).
- The unsecured creditors of LuxCo (the “LuxCo Creditors”) exchanged a portion of their claims against LuxCo (the “LuxCo Notes”) for: **(i)** cash from Jackson; and **(ii)** cash from LuxCo (the “LuxCo Notes Partial Settlement”).
- Jackson borrowed from new third-party lenders and used the borrowing proceeds to partially repay the claims of secured creditors of Jackson (the “Jackson Secured Creditors,” the “Jackson Secured Notes,” and the “Jackson Secured Notes Settlement”).
- The unsecured creditors of Jackson and its disregarded entities (the “Jackson Unsecured Creditors,” together with the ICF Creditors, the Intelsat Creditors, the LuxCo Creditors, and the Jackson Secured Creditors, the “External Creditors”) exchanged a portion of their claims against Jackson and its disregarded entities (the “Jackson Unsecured Notes”) for cash and Jackson CVRs (the “Jackson Unsecured Notes Partial Settlement,” together with the ICF Notes Partial Settlement, the Intelsat Notes Partial Settlement, the LuxCo Notes Partial Settlement and the Jackson Secured Notes Partial Settlement, the “External Notes Partial Settlement”).

In addition, **(i)** the ICF Creditors, the LuxCo Creditors, the Jackson Unsecured Creditors, and the Jackson Secured Creditors transferred the remaining portion of their respective claims, and **(ii)** the Intelsat Creditors transferred a portion of their claims against Intelsat, to Intelsat Emergence S.A, a newly formed entity (“New TopCo” and the “New TopCo Transfer”) in exchange for common stock and warrants issued by New TopCo (the “New TopCo Common Stock” and the “New TopCo Warrants”).

Immediately after the New TopCo Transfer, Intelsat Investment Holdings S.à.r.l. (“Investment Holdings”), a disregarded entity of Intelsat, transferred all of its shares in Intelsat Holdings S.à.r.l., formerly known as Intelsat Holdings S.A. (“Holdings”)<sup>3</sup> to New TopCo in exchange for the Intelsat Notes transferred by Intelsat Creditors to New TopCo (the “Holdings Shares Transfer”).<sup>4</sup>

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<sup>2</sup> The Jackson CVRs are beyond the scope of reporting on Form 8937.

<sup>3</sup> Holdings indirectly wholly owned each of LuxCo, ICF, and Jackson.

<sup>4</sup> Certain aspects of the Emergence Transactions are not subject to reporting on Form 8937, including, but not limited to the External Notes Partial Settlement (subject to the discussion below) and the Holdings

The Intelsat Creditors exchanged their remaining claims against Intelsat with Intelsat in exchange for 57,229,268,495,000,000 shares of newly issued common stock of Intelsat (the “Intelsat Common Stock” and “Intelsat Creditors Claims Exchange”). Intelsat then completed a reverse stock split in a ratio of 142,184,518 to 1, resulting in 402,500,000 common shares held by the Intelsat Creditors and 1 common share held by historical common stockholders of Intelsat (the “Historic Intelsat Common Stockholders”).<sup>5</sup> Following the stock split, Intelsat issued warrants (the “Intelsat Warrants” and the issuance thereof, the “Intelsat Warrants Issuance,” together with Intelsat Creditors Claims Exchange and the stock split, the “Intelsat Recapitalization”) pro rata to certain Historic Intelsat Common Stockholders who voted in favor of the Bankruptcy Plan (the “Electing Historic Intelsat Common Stockholders”).<sup>6</sup>

Moreover, as part of the overall Emergence Transactions, the claims of the creditors that became intercompany claims among the affiliates of New TopCo as a result of the steps above (including the ICF Notes, the Intelsat Notes, the LuxCo Notes, the Jackson Unsecured Notes, and the Jackson Secured Notes) were settled; however, such settlement transactions are beyond the scope of reporting on Form 8937.

### **Form 8937, Line 15**

#### ***New TopCo Transfer***

Subject to the discussion below, the Company expects the New TopCo Transfer in which the contribution of the claims in exchange for New TopCo Common Stock and New TopCo Warrants to qualify as an exchange under section 351. Under section 351, subject to section 367(a) as discussed below, a U.S. holder of a claim should recognize no gain or loss if such holder only received New TopCo Common Stock in the exchange. If a U.S. holder received both New TopCo Common Stock and New TopCo Warrants, such holder should recognize gain but not loss, to the extent of the lesser of (i) the fair market value of the of New TopCo Warrants received (if any) and (ii) the excess of (A) the fair market value of the New TopCo Common Stock and New TopCo Warrants received over (B) such U.S. holder’s adjusted tax basis in the claims contributed in the New TopCo Transfer.<sup>7</sup> Under section 358(a), the aggregate adjusted tax basis of the shares of the

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Shares Transfer. Unless specified otherwise, capitalized terms used and not defined in this attachment have the meanings ascribed to them the Bankruptcy Plan.

<sup>5</sup> Prior to the reverse stock split, the total number of the shares of Intelsat Common Stock owned by the Historic Intelsat Common Stockholders was 142,184,518. As a result of such reverse stock split, each such common share was reverse split into a fractional share of Intelsat Common Stock by a ratio of approximately one (1) over more than one-hundred (100) million.

<sup>6</sup> The Intelsat Warrants will be exercisable for an aggregate number of shares of Intelsat Common Stock representing 10 percent of the shares of Intelsat Common Stock outstanding after the reverse stock split.

<sup>7</sup> As defined under Bankruptcy Plan, a “U.S. holder” means a holder that is for U.S. federal income tax purposes: (a) an individual citizen or resident of the United States; (b) a corporation (or other entity treated as a corporation) that is created or organized (or treated as created or organized) in or under the laws of the United States, any state thereof or the District of Columbia; (c) an estate whose income is subject to U.S.

New TopCo Common Stock received in the New TopCo Transfer by a U.S. holder should be equal to the aggregate adjusted tax basis of claims surrendered, **(i)** decreased by the fair market value of the New TopCo Warrants received; and **(ii)** increased by the amount of gain recognized on such transfer. The basis of the New TopCo Warrants received by a U.S. holder should equal the fair market value of such New TopCo Warrants.

In general, if the New TopCo Stock Transfer is subject to section 351, section 367(a) may require a U.S. holder to recognize gain (but not loss) in an amount equal the excess of **(i)** the fair market value of the New TopCo Common Stock and New TopCo Warrants received over **(ii)** such U.S. holder's adjusted tax basis in the claims contributed. However, a U.S. holder of a claim may be able to avoid current recognition of gain under section 367 if the claim(s) contributed in exchange for New TopCo Common Stock are considered "stock or securities" and if such U.S. holder either owns less than 5 percent of the New Common Stock immediately after the New TopCo Transfer, or, if a U.S. holder owns 5 percent or more of the New TopCo Common Stock immediately after such transfer, such U.S. holder enters into a "gain recognition agreement" that meets the requirements set forth in the Treasury Regulations promulgated under section 367, as long as certain other requirements are met.

### ***Intelsat Recapitalization***

The Company expects the Intelsat Recapitalization to qualify as a reorganization under section 368 to which Intelsat is a party. Under section 354, Intelsat Creditors that exchanged their remaining claims against Intelsat for Intelsat Common Stock should not recognize gain or loss provided the claims transferred constitute "securities" for U.S. federal income tax purposes. Under section 358, the adjusted tax basis of the shares of Intelsat Common Stock received in the Intelsat Recapitalization should be equal to the adjusted tax basis of the claims transferred. A U.S. holder with blocks of transferred claims having differing tax basis must apply these tax basis rules separately to each block of Intelsat Common Stock received.

***Intelsat Creditors should consult with their own tax advisors as to whether their claims against Intelsat constitute "securities" within the meaning of section 354.***

With respect to the Electing Historic Intelsat Common Stockholders, under section 354, a U.S. holder of Intelsat Common Stock should recognize no gain or loss in the exchange of Intelsat common stock for Intelsat Warrants. Under section 358, the adjusted tax basis of the Intelsat Warrant received in the Intelsat Recapitalization by a U.S. holder should be equal to the adjusted tax basis of the historic Intelsat Common Stock deemed transferred to Intelsat resulting from the reverse stock split. A U.S. holder with blocks of Intelsat

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federal income taxation regardless of its source; or (d) a trust if (i) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust, or (ii) it has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

Common Stock having differing tax basis must apply these tax basis rules separately to each block of the Intelsat Warrants received.

***Note Regarding External Notes Partial Settlement***

The Company expects to take the position that the exchanges that occurred pursuant to the External Notes Partial Settlement were separately-identifiable transactions from the Intelsat Recapitalization and/or the New TopCo Transfer and, as a consequence, the External Notes Partial Settlement was a fully taxable transaction that is otherwise beyond the scope of reporting on Form 8937. That position is not free from doubt. In particular, there is a possibility that the External Notes Partial Settlement could be integrated with the New TopCo Transfer and, as such, that *either (a)* parties could be treated as having received all forms of consideration as part of a transaction governed by section 351 *or (b)* in the case of the New TopCo Transfer, parties could be treated as having received all forms of consideration in a taxable transaction.

***Holdings of claims against the Company and its affiliates should consult with their own tax advisors as to the interaction between the External Notes Partial Settlement, on one hand, and the Intelsat Recapitalization and/or the New TopCo Transfer, on the other hand.***

**Form 8937, Line 16**

See discussion above.

**Form 8937, Line 17**

***New TopCo Transfer:*** Sections 351(a)-(b), 358(a), 367(a), and Treas. Reg. section 1.367(a)-3.

***Intelsat Recapitalization:*** Sections 368(a), 354(a) and 358(a).

**Form 8937, Line 18**

***New TopCo Transfer:*** Assuming the New TopCo Transfer is subject to section 351, no loss may be recognized as a result of the New TopCo Transfer.

***Intelsat Recapitalization:*** To the extent that an exchanged claim constitutes a “security” for U.S. federal income tax purposes, no loss may be recognized as a result of the Intelsat Recapitalization with respect to the Intelsat Creditors and the Electing Historic Intelsat Common Stockholders.

**Form 8937, Line 19**

The reportable tax year is 2022 with respect to **(i)** the holders who transferred their claims to New TopCo in the New TopCo Transfer; and **(ii)** the Intelsat Creditors who exchanged

their claims for the Intelsat Common Stock and the Electing Historic Intelsat Common Stockholders in the Intelsat Recapitalization, who in each case are calendar year taxpayers.

***For a detailed description of the claims against the Company and its affiliates, see the Debtors' Fourth Amended Joint Chapter 11 Plan, as amended and supplemented, filed on December 17, 2021.***

***The information contained herein does not constitute tax advice and is intended to provide only a general summary and is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the transactions described herein. Moreover, the discussion set forth above does not address tax consequences that may vary with, or are dependent on, individual circumstances. Holders of claims are urged to consult with their own tax advisors with respect to the tax consequences of the transactions described herein as applicable to their particular circumstances.***