



GILAT PRESS RELEASE

Gilat Reports Strong Results in Second Quarter 2021

Revenue is up 49% year-over-year and 27% sequentially with a return to Non-GAAP profitability

Petah Tikva, Israel – August 10, 2021 – Gilat Satellite Networks Ltd. (NASDAQ: GILT, TASE: GILT), a worldwide leader in satellite networking technology, solutions and services, today reported its results for the second quarter of 2021.

Second Quarter Financial Highlights

- **Revenues of \$56.9 million**, a 49% increase from \$38.3 million in Q2 2020 and up 27% from \$44.7 million in the previous quarter.
- **GAAP operating loss of \$0.3 million**, an improvement compared with an operating loss of \$3.5 million in Q2 2020 and an operating loss of \$3.7 million in Q1 2021.
- **Non-GAAP operating income of \$0.2 million**, compared with an operating loss of \$2.6 million in Q2 2020 and an operating loss of \$3.8 million in the previous quarter.
- **GAAP net loss of \$0.1 million**, or zero per share, compared with a net loss of \$4.2 million, or a loss of \$0.08 per share in Q2 2020 and a net loss of \$5.1 million, or a loss of \$0.09 per share in the previous quarter.
- **Non-GAAP net income of \$0.4 million**, which is \$0.01 per share, compared with a net loss of \$3.3 million, or a loss of \$0.06 per share in Q2 2020, and compared with a net loss of \$5.2 million, or a loss of \$0.09 per share, in the previous quarter.
- **Adjusted EBITDA of \$2.5 million** compared with adjusted EBITDA of \$0.1 million in Q2 2020; and an adjusted EBITDA loss of \$1.4 million in the previous quarter.

Management Commentary

Adi Sfadia, Gilat's CEO, commented: "I am very pleased with the improvement in our second quarter results which showed very strong revenue growth and a return to Non-GAAP profitability.

"We are experiencing strong business momentum in nearly all our end markets and have secured several significant awards. In our Mobility segment we solidified our leadership position in maritime with a multi-million-dollar award from SES, and our leading position in NGSO with orders for more than \$15 million from a leading satellite operator for support of a Low Earth Orbit Constellation. Very importantly, we are most pleased with the rapid growth in our Defense segment in which we secured deals for over \$10 million in Asia, Latin America and the US.

"Further to the many opportunities we see ahead of us, we continue investing heavily in our R&D efforts in order to capture these opportunities and accelerate our future growth. Given the improving momentum and strong backlog, we expect to continue with our high revenue and



profitability growth through the second half of 2021. We expect this growth to increase even further in 2022, as the inflight connectivity sector recovers, in addition to continued growth expected from the Maritime, Cellular Backhaul, NGSO and Defense market segments, as well as our operations in Peru.”

Key Recent Announcements

- Tier-1 US Terminal Provider Awards Gilat over \$5M for Solid State Amplifiers Powering Militaries Worldwide
- Gilat’s Global Mobility Platform Selected by SES in Multi-Million Dollar Order
- Gilat Receives Multi-Million Dollar Award from US Army to Supply High Performance BUCs for Tactical Communications
- Gilat Signed a Strategic Agreement Estimated at Over \$5 Million with Pacific Dataport for Delivery of Ubiquitous Broadband Coverage in Alaska
- Gilat Received \$2 Million in Orders for Support of Low Earth Orbit Constellation
- Gilat Awarded Multi-Million Dollar Contract to Provide Satellite Communication Equipment for Defense Forces in Asia
- Gilat Awarded \$9 Million in Orders for Support of Low Earth Orbit Constellation
- Gilat Awarded Multiple Projects for Armed Forces in Latin America
- Gilat Awarded Contract to Supply Satellite Communication Equipment for Military Usage
- Gilat Awarded \$13M Contract by Pronatel for Delivery of Internet Services to Hundreds of Sites in Peru
- Gilat Extends Multi-Million Dollar IoT Project in Latin America
- Gilat Awarded Over \$4 Million in Orders for Support of Low Earth Orbit Constellation
- Telefonica Global Solutions (TGS) Selects Gilat to Equip Strategic Teleport in Arica, Chile

Conference Call Details

Gilat’s management will discuss its second quarter 2021 results and business achievements and participate in a questions and answers session:

Date: Tuesday, August 10, 2021
Start: 9:30 AM ET / 4:30 PM IT
Dial-in: US: 1-866-744-5399
International: +972-3-918-0610

A simultaneous webcast of the conference call will be available on the Gilat website at www.gilat.com and through this link: <https://Veidan.activetrail.biz/gilatq2-2021>

The webcast will also be archived for a period of 30 days on the Company’s website and through the link above.

Non-GAAP Measures

The attached summary unaudited financial statements were prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). To supplement the consolidated financial



statements presented in accordance with GAAP, the Company presents Non-GAAP presentations of net income, operating income, Adjusted EBITDA and earnings per share. The adjustments to the Company's GAAP results are made with the intent of providing both management and investors a more complete understanding of the Company's underlying operational results, trends and performance. Non-GAAP financial measures mainly exclude the effect of stock based compensation, amortization of purchased intangibles, lease incentive amortization, litigation expenses, income related to trade secrets claims, restructuring and reorganization costs, merger, acquisition and related litigation expense (income), net and initial recognition of deferred tax asset with respect to carry-forward losses.

Adjusted EBITDA is presented to compare the Company's performance to that of prior periods and evaluate the Company's financial and operating results on a consistent basis from period to period. The Company also believes this measure, when viewed in combination with the Company's financial results prepared in accordance with GAAP, provides useful information to investors to evaluate ongoing operating results and trends. Adjusted EBITDA, however, should not be considered as an alternative to operating income or net income for the period and may not be indicative of the historic operating results of the Company; nor is it meant to be predictive of potential future results. Adjusted EBITDA is not a measure of financial performance under GAAP and may not be comparable to other similarly titled measures for other companies. Reconciliation between the Company's Operating income and Adjusted EBITDA is presented in the attached summary financial statements.

Non-GAAP presentations of net income, operating income, Adjusted EBITDA and earnings per share should not be considered in isolation or as a substitute for any of the consolidated statements of operations prepared in accordance with GAAP, or as an indication of Gilat's operating performance or liquidity.

About Gilat

Gilat Satellite Networks Ltd. (NASDAQ: GILT, TASE: GILT) is a leading global provider of satellite-based broadband communications. With 30 years of experience, we design and manufacture cutting-edge ground segment equipment, and provide comprehensive solutions and end-to-end services, powered by our innovative technology. Delivering high value competitive solutions, our portfolio comprises of a cloud based VSAT network platform, high-speed modems, high performance on-the-move antennas and high efficiency, high power Solid-State Amplifiers (SSPA) and Block Upconverters (BUC).

Gilat's comprehensive solutions support multiple applications with a full portfolio of products to address key applications including broadband access, Cellular Backhaul, enterprise, in-flight connectivity, maritime, trains, defense and public safety, all while meeting the most stringent service level requirements. Gilat controlling shareholders are the **FIMI Private Equity Funds**. For more information, please visit: www.gilat.com

Certain statements made herein that are not historical are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. The words "estimate", "project", "intend", "expect", "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties. Many factors could cause the actual results, performance or achievements of Gilat to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, risks associated with the outbreak and global spread of the coronavirus (COVID-19) pandemic; changes in general economic and business conditions, inability to maintain market acceptance to Gilat's products, inability to timely develop and introduce new technologies, products and applications, rapid changes in the market for Gilat's products, loss of market share and pressure on prices resulting from competition, introduction of competing products by other



companies, inability to manage growth and expansion, loss of key OEM partners, inability to attract and retain qualified personnel, inability to protect the Company's proprietary technology and risks associated with Gilat's international operations and its location in Israel. For additional information regarding these and other risks and uncertainties associated with Gilat's business, reference is made to Gilat's reports filed from time to time with the Securities and Exchange Commission. We undertake no obligation to update or revise any forward-looking statements for any reason.

Contact:

Gilat Satellite Networks
Doreet Oren, Senior Director Corporate Communications
DoreetO@gilat.com

Ehud Helft
GK Investor & Public Relations
gilat@gkir.com
+1 646 688 3559