



GILAT PRESS RELEASE

Gilat Reports Strong Revenue & Profitability Growth in Third Quarter 2021

Revenue up 34% year-over-year to \$49.9M, GAAP operating income of \$0.9 million and Adjusted EBITDA reached \$4.0 million

Petah Tikva, Israel – November 9, 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 third quarter of 2021.

Third Quarter Financial Highlights

- **Revenues of \$49.9 million**, a 34% increase from \$37.3 million in Q3 2020 and 12% lower than \$56.9 million in the previous quarter;
- **GAAP operating income of \$0.9 million**, a significant improvement compared with an operating loss of \$10.9 million in Q3 2020 (which included \$8.2 million of Comtech merger and acquisition expenses) and an operating loss of \$0.3 million in the previous quarter;
- **Non-GAAP operating income of \$1.5 million**, compared with operating loss of \$1.9 million in Q3 2020, and an operating income of \$0.2 million in the previous quarter;
- **GAAP net income of \$0.2 million**, or \$0.00 per diluted share, compared with a net loss of \$11.6 million, or loss of \$0.21 per share in Q3 2020 and net loss of \$0.1 million in the previous quarter, or \$0.00 per share;
- **Non-GAAP net income of \$0.7 million**, or \$0.01 per diluted share, compared with a net loss of \$2.6 million, or loss of \$0.05 per share in Q3 2020, and compared with a net income of \$0.4 million, or \$0.01 per diluted share, in the previous quarter;
- **Adjusted EBITDA of \$4.0 million** compared with adjusted EBITDA of \$0.6 million in Q3 2020; and adjusted EBITDA of \$2.5 million in the previous quarter;

Management Commentary

Adi Sfadia, Gilat's CEO, commented: "Our revenue this quarter showed significant year over year growth as we continue to increase profitability reaching an Adjusted EBITDA of \$4 million. We are especially pleased with our success in signing new deals, some of which are potentially transformable in nature and strategic.

"I am most excited about major progress this quarter in the NGSO and VHTS market segments. Furthermore, we experienced improved performance and significant bookings in our strategic market segments including Cellular Backhaul and IFC where we received several orders from key market players to be delivered over the next few quarters.



"In our Peru operation we have made significant progress with awards of \$28 million in multi-year service agreements, and achieved our target goal of approximately \$50 million in annual recurring revenue from Peru, well before the stated target date."

Continued Mr. Sfadia, "Although the global supply chain presents challenges, so far we have been able to mitigate these issues and we hope that this will continue to be the case." Looking ahead, given the recent wins and awards as well as the strong and improving momentum we are seeing across our business, we are increasingly confident that we will show significant growth in the top line and in the Adjusted EBITDA, both in Q4 of this year and in 2022.

Key Recent Announcements

- Tier-1 Mobile Operator in Asia Expands 4G Network with Gilat's Cellular Backhaul Solution
- Gilat Expands 4G Network with Tier-1 Mobile Operator in North America
- Gilat Signs Service Agreements of Over \$16 Million for Operating Transport-Networks to Support Broadband Services in Peru
- Gilat Receives \$12 Million Service Agreement for Operation of Transport Network in Cusco, Peru
- Gilat Received \$17 Million in Orders for Support of Low Earth Orbit Constellation
- SES Awards Gilat Multi-Million Dollar Contract for Multiple Broadband Applications in Latin America

Conference Call Details

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

Date: Tuesday, November 9, 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/gilatq3-2021>

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.



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