

**GILAT SATELLITE NETWORKS LTD.**  
**CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
U.S. dollars in thousands (except share and per share data)

	Six months ended June 30,		Three months ended June 30,	
	2022	2021	2022	2021
		As Restated (1)		As Restated (1)
	Unaudited		Unaudited	
Revenues	\$ 106,863	\$ 98,169	\$ 55,454	\$ 54,798
Cost of revenues	70,706	69,070	35,685	38,179
<b>Gross profit</b>	<b>36,157</b>	<b>29,099</b>	<b>19,769</b>	<b>16,619</b>
Research and development expenses, net	16,386	15,660	8,718	7,733
Selling and marketing expenses	10,310	10,468	4,960	5,464
General and administrative expenses	8,555	6,938	4,371	3,855
Impairment of held for sale asset	439	-	229	-
<b>Total operating expenses</b>	<b>35,690</b>	<b>33,066</b>	<b>18,278</b>	<b>17,052</b>
<b>Operating income (loss)</b>	<b>467</b>	<b>(3,967)</b>	<b>1,491</b>	<b>(433)</b>
Financial income (expenses), net	(1,663)	(757)	(468)	435
<b>Income (loss) before taxes on income</b>	<b>(1,196)</b>	<b>(4,724)</b>	<b>1,023</b>	<b>2</b>
Taxes on income	832	474	517	227
<b>Net income (loss)</b>	<b>\$ (2,028)</b>	<b>\$ (5,198)</b>	<b>\$ 506</b>	<b>\$ (225)</b>
<b>Earnings (loss) per share (basic and diluted)</b>	<b>\$ (0.04)</b>	<b>\$ (0.09)</b>	<b>\$ 0.01</b>	<b>\$ (0.00)</b>
<b>Weighted average number of shares used in computing earning (loss) per share</b>				
Basic	<b>56,574,296</b>	<b>56,269,941</b>	<b>56,597,523</b>	<b>56,508,539</b>
Diluted	<b>56,574,296</b>	<b>56,269,941</b>	<b>56,637,208</b>	<b>56,508,539</b>

(1) The Company restated its previously issued condensed interim consolidated financial statements for the three and six months ended June 30, 2021. For additional information, see Item 5 of our 2021 Form 20-F and Notes 2 and 13 of our Condensed Interim Consolidated Financial Statements filed with the U.S. Securities and Exchange Commission on May 16, 2022 and August 9, 2022, respectively.

**GILAT SATELLITE NETWORKS LTD.**  
**RECONCILIATION BETWEEN GAAP AND NON-GAAP CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
**FOR COMPARATIVE PURPOSES**  
**U.S. dollars in thousands (except share and per share data)**

	Three months ended June 30, 2022			Three months ended June 30, 2021		
	GAAP	Adjustments (*)	Non-GAAP	GAAP	Adjustments (*)	Non-GAAP
	As Restated (1)			As Restated (1)		As Restated (1)
	Unaudited			Unaudited		
Gross profit	\$ 19,769	81	\$ 19,850	\$ 16,619	64	\$ 16,683
Operating expenses	18,278	(832)	17,446	17,052	(456)	16,596
Operating income (loss)	1,491	913	2,404	(433)	520	87
Income before taxes on income	1,023	913	1,936	2	520	522
Net income (loss)	\$ 506	913	\$ 1,419	\$ (225)	520	\$ 295
Earnings (loss) per share (basic and diluted)	\$ 0.01	\$ 0.02	\$ 0.03	\$ (0.00)	\$ 0.01	\$ 0.01
Weighted average number of shares used in computing earning (loss) per share						
Basic	56,597,523		56,597,523	56,508,539		56,508,539
Diluted	56,637,208		56,773,970	56,508,539		57,328,088

(\*) Adjustments reflect the effect of non-cash stock-based compensation as per ASC 718, amortization of intangible assets related to shares acquisition transactions and impairment of held for sale asset.

	Three months ended June 30, 2022	Three months ended June 30, 2021
	As Restated (1)	As Restated (1)
	Unaudited	Unaudited
GAAP net income (loss)	\$ 506	\$ (225)
Gross profit		
Non-cash stock-based compensation expenses	75	59
Amortization of intangible assets related to acquisition transactions	55	5
	130	64
Operating expenses		
Non-cash stock-based compensation expenses	494	406
Amortization of intangible assets related to acquisition transactions	60	50
Impairment of held for sale asset	229	-
	783	456
Non-GAAP net income	\$ 1,419	\$ 295

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**GILAT SATELLITE NETWORKS LTD.**
**RECONCILIATION BETWEEN GAAP AND NON-GAAP CONSOLIDATED STATEMENTS OF INCOME (LOSS)**
**FOR COMPARATIVE PURPOSES**
**U.S. dollars in thousands (except share and per share data)**

	Six months ended June 30, 2022			Six months ended June 30, 2021		
	GAAP	Adjustments (*)	Non-GAAP	GAAP	Adjustments (*)	Non-GAAP
	As Restated (1)			As Restated (1)		As Restated (1)
	Unaudited			Unaudited		
Gross profit	\$ 36,157	156	\$ 36,313	\$ 29,099	130	\$ 29,229
Operating expenses	35,690	(1,515)	34,175	33,066	(287)	32,779
Operating income (loss)	467	1,671	2,138	(3,967)	417	(3,550)
Income (loss) before taxes on income	(1,196)	1,671	475	(4,724)	417	(4,307)
Net loss	<u>(2,028)</u>	<u>1,671</u>	<u>(357)</u>	<u>(5,198)</u>	<u>417</u>	<u>(4,781)</u>
Loss per share (basic and diluted)	<u>\$ (0.04)</u>	<u>\$ 0.03</u>	<u>\$ (0.01)</u>	<u>\$ (0.09)</u>	<u>\$ 0.01</u>	<u>\$ (0.08)</u>
Weighted average number of shares used in computing loss per share						
Basic	<u>56,574,296</u>		<u>56,574,296</u>	<u>56,269,941</u>		<u>56,269,941</u>
Diluted	<u>56,574,296</u>		<u>56,574,296</u>	<u>56,269,941</u>		<u>56,269,941</u>

(\*) Adjustments reflect the effect of non-cash stock-based compensation as per ASC 718, amortization of intangible assets related to shares acquisition transactions and impairment of held for sale asset.

	Six months ended June 30, 2022		Six months ended June 30, 2021	
	As Restated (1)		As Restated (1)	
	Unaudited		Unaudited	
GAAP net loss	\$	(2,028)	\$	(5,198)
Gross profit				
Non-cash stock-based compensation expenses		145		120
Amortization of intangible assets related to acquisition transactions		60		10
		<u>205</u>		<u>130</u>
Operating expenses				
Non-cash stock-based compensation expenses		916		186
Amortization of intangible assets related to acquisition transactions		111		101
Impairment of held for sale asset		439		-
		<u>1,466</u>		<u>287</u>
Non-GAAP net loss	\$	<u>(357)</u>	\$	<u>(4,781)</u>

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**GILAT SATELLITE NETWORKS LTD.**  
**SUPPLEMENTAL INFORMATION**  
**U.S. dollars in thousands**

**ADJUSTED EBITDA:**

	Six months ended		Three months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
	As Restated (1)		As Restated (1)	
	Unaudited		Unaudited	
GAAP net income (loss)	\$ (2,028)	\$ (5,198)	\$ 506	\$ (225)
Adjustments:				
Financial expenses (income), net	1,663	757	468	(435)
Taxes on income	832	474	517	227
Non-cash stock-based compensation expenses	1,061	306	569	465
Impairment of held for sale asset	439	-	229	-
Other	60	-	60	-
Depreciation and amortization (*)	5,792	4,758	2,941	2,373
Adjusted EBITDA	<u>\$ 7,819</u>	<u>\$ 1,097</u>	<u>\$ 5,290</u>	<u>\$ 2,405</u>

(\*) Including amortization of lease incentive

**SEGMENT REVENUE:**

	Six months ended		Three months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
	As Restated (1)		As Restated (1)	
	Unaudited		Unaudited	
Satellite Networks	\$ 51,627	\$ 59,975	\$ 26,857	\$ 34,351
Integrated Solutions	29,397	18,836	15,691	12,127
Network Infrastructure and Services	25,839	19,358	12,906	8,320
<b>Total revenues</b>	<u><b>\$ 106,863</b></u>	<u><b>\$ 98,169</b></u>	<u><b>\$ 55,454</b></u>	<u><b>\$ 54,798</b></u>

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**GILAT SATELLITE NETWORKS LTD.**  
**CONSOLIDATED BALANCE SHEETS**  
**U.S. dollars in thousands**

	<b>June 30,</b>	<b>December 31,</b>
	<b>2022</b>	<b>2021</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 70,133	\$ 81,859
Short-term deposits	-	2,159
Restricted cash	1,313	2,592
Trade receivables, net	51,303	39,161
Contract assets	29,310	26,008
Inventories	32,156	28,432
Other current assets	22,458	14,607
Held for sale asset	4,276	4,587
<b>Total current assets</b>	<b>210,949</b>	<b>199,405</b>
<b>LONG-TERM ASSETS:</b>		
Restricted cash	12	12
Long- term contract assets	11,845	12,539
Severance pay funds	5,937	6,795
Deferred taxes	15,885	17,551
Operating lease right-of-use assets	3,845	4,478
Other long term assets	11,225	10,456
<b>Total long-term assets</b>	<b>48,749</b>	<b>51,831</b>
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>72,410</b>	<b>72,391</b>
<b>INTANGIBLE ASSETS, NET</b>	<b>419</b>	<b>640</b>
<b>GOODWILL</b>	<b>43,468</b>	<b>43,468</b>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 375,995</u></b>	<b><u>\$ 367,735</u></b>

**GILAT SATELLITE NETWORKS LTD.**  
**CONSOLIDATED BALANCE SHEETS (Cont.)**  
**U.S. dollars in thousands**

	<u>June 30,</u> <u>2022</u> <u>Unaudited</u>	<u>December 31,</u> <u>2021</u> <u>Audited</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Trade payables	\$ 24,010	\$ 19,776
Accrued expenses	47,654	49,202
Advances from customers and deferred revenues	31,932	24,373
Operating lease liabilities	1,747	1,818
Other current liabilities	15,458	13,339
<b>Total current liabilities</b>	<u>120,801</u>	<u>108,508</u>
<b>LONG-TERM LIABILITIES:</b>		
Accrued severance pay	6,548	7,292
Long-term advances from customers	722	1,209
Operating lease liabilities	2,056	2,283
Other long-term liabilities	132	120
<b>Total long-term liabilities</b>	<u>9,458</u>	<u>10,904</u>
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital - ordinary shares of NIS 0.2 par value	2,711	2,706
Additional paid-in capital	930,927	929,871
Accumulated other comprehensive loss	(7,977)	(6,357)
Accumulated deficit	(679,925)	(677,897)
<b>Total shareholders' equity</b>	<u>245,736</u>	<u>248,323</u>
<b><u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>	<u><u>\$ 375,995</u></u>	<u><u>\$ 367,735</u></u>

**GILAT SATELLITE NETWORKS LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
U.S. dollars in thousands

	Six months ended		Three months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
		As Restated (1)		As Restated (1)
	Unaudited		Unaudited	
<b>Cash flows from operating activities:</b>				
Net income (loss)	\$ (2,028)	\$ (5,198)	\$ 506	\$ (225)
<b>Adjustments required to reconcile net loss to net cash provided by (used in) operating activities:</b>				
Depreciation and amortization	5,683	4,646	2,887	2,316
Impairment of held for sale asset	439	-	229	-
Stock-based compensation of options	1,061	306	569	465
Accrued severance pay, net	114	(128)	177	(118)
Deferred taxes, net	1,664	185	1,358	(333)
Increase in trade receivables, net	(11,883)	(7,357)	(5,471)	(5,424)
Decrease (increase) in contract assets	(2,608)	21,647	(599)	24,826
Increase in other assets (including short-term, long-term and deferred charges)	(7,763)	(4,009)	(4,047)	(3,789)
Decrease (increase) in inventories	(4,075)	1,774	(1,731)	3,986
Increase (decrease) in trade payables	4,205	(790)	2,533	(1,740)
Decrease in accrued expenses	(1,690)	(1,802)	(2,442)	(1,304)
Increase (decrease) in advance from customers and deferred revenue	7,010	(338)	4,700	(8,062)
Decrease in other liabilities	(810)	(194)	(1,975)	(2,197)
<b>Net cash provided by (used in) operating activities</b>	<b>(10,681)</b>	<b>8,742</b>	<b>(3,306)</b>	<b>8,401</b>
<b>Cash flows from investing activities:</b>				
Purchase of property and equipment	(4,515)	(3,572)	(2,314)	(2,089)
Repayment of (investment in) short term deposits	2,159	(2,159)	2,159	(2,159)
<b>Net cash used in investing activities</b>	<b>(2,356)</b>	<b>(5,731)</b>	<b>(155)</b>	<b>(4,248)</b>
<b>Cash flows from financing activities:</b>				
Dividend payment	-	(35,003)	-	-
Repayment of long-term loan	-	(4,000)	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(39,003)</b>	<b>-</b>	<b>-</b>
<b>Effect of exchange rate changes on cash, cash equivalents and restricted cash</b>	<b>32</b>	<b>(161)</b>	<b>(221)</b>	<b>93</b>
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>(13,005)</b>	<b>(36,153)</b>	<b>(3,682)</b>	<b>4,246</b>
<b>Cash, cash equivalents and restricted cash at the beginning of the period</b>	<b>84,463</b>	<b>115,958</b>	<b>75,140</b>	<b>75,559</b>
<b>Cash, cash equivalents and restricted cash at the end of the period</b>	<b>\$ 71,458</b>	<b>\$ 79,805</b>	<b>\$ 71,458</b>	<b>\$ 79,805</b>

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