

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

	Six months ended		Three months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
	Unaudited		Unaudited	
Revenues	\$ 197,007	\$ 152,709	\$ 104,970	\$ 76,631
Cost of revenues	136,682	98,082	73,043	50,058
<b>Gross profit</b>	<b>60,325</b>	<b>54,627</b>	<b>31,927</b>	<b>26,573</b>
Research and development expenses, net	23,930	18,547	12,309	9,228
Selling and marketing expenses	16,467	14,109	8,265	7,032
General and administrative expenses	13,027	14,514	6,243	6,437
Other operating expenses (income), net	3,964	(725)	(574)	1,085
<b>Total operating expenses</b>	<b>57,388</b>	<b>46,445</b>	<b>26,243</b>	<b>23,782</b>
<b>Operating income</b>	<b>2,937</b>	<b>8,182</b>	<b>5,684</b>	<b>2,791</b>
Financial income (expenses), net	(2,186)	779	(1,250)	266
<b>Income before taxes on income</b>	<b>751</b>	<b>8,961</b>	<b>4,434</b>	<b>3,057</b>
Taxes on income	3,083	(2,695)	5,396	(1,755)
<b>Net income</b>	<b>\$ 3,834</b>	<b>\$ 6,266</b>	<b>\$ 9,830</b>	<b>\$ 1,302</b>
<b>Earnings per share (basic and diluted)</b>	<b>\$ 0.07</b>	<b>\$ 0.11</b>	<b>\$ 0.17</b>	<b>\$ 0.02</b>
<b>Weighted average number of shares used in computing earnings per share</b>				
Basic	57,081,120	57,016,808	57,124,568	57,017,032
Diluted	57,189,406	57,016,808	57,341,141	57,017,032

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

	Three months ended June 30, 2025			Three months ended June 30, 2024		
	GAAP	Adjustments (*) Unaudited	Non-GAAP	GAAP	Adjustments (*) Unaudited	Non-GAAP
Gross profit	\$ 31,927	2,557	\$ 34,484	\$ 26,573	1,617	\$ 28,190
Operating expenses	26,243	(1,043)	25,200	23,782	(2,914)	20,868
Operating income	5,684	3,600	9,284	2,791	4,531	7,322
Income before taxes on income	4,434	3,600	8,034	3,057	4,531	7,588
Net income	<u>\$ 9,830</u>	<u>2,131</u>	<u>\$ 11,961</u>	<u>\$ 1,302</u>	<u>4,253</u>	<u>\$ 5,555</u>
Earnings per share (basic and diluted)	<u>\$ 0.17</u>	<u>\$ 0.04</u>	<u>\$ 0.21</u>	<u>\$ 0.02</u>	<u>\$ 0.08</u>	<u>\$ 0.10</u>
Weighted average number of shares used in computing earnings per share						
Basic	<u>57,124,568</u>		<u>57,124,568</u>	<u>57,017,032</u>		<u>57,017,032</u>
Diluted	<u>57,341,141</u>		<u>58,041,043</u>	<u>57,017,032</u>		<u>57,017,032</u>

(\*) Adjustments reflect the effect of stock-based compensation as per ASC 718, amortization of purchased intangibles, other operating expenses (income), net, other non-recurring expenses, other integration expenses and income tax effect on such adjustments which is calculated using the relevant effective tax rate.

	Three months ended June 30, 2025	Three months ended June 30, 2024
	Unaudited	Unaudited
GAAP net income	\$ 9,830	\$ 1,302
Gross profit		
Stock-based compensation expenses	228	150
Amortization of purchased intangibles	2,302	920
Other non-recurring expenses	-	466
Other integration expenses	27	81
	<u>2,557</u>	<u>1,617</u>
Operating expenses		
Stock-based compensation expenses	1,084	705
Stock-based compensation related to business combination	(920)	842
Amortization of purchased intangibles	1,269	267
Other operating expenses (income), net	(574)	1,085
Other integration expenses	184	15
	<u>1,043</u>	<u>2,914</u>
Taxes on income	<u>(1,469)</u>	<u>(278)</u>
Non-GAAP net income	<u>\$ 11,961</u>	<u>\$ 5,555</u>

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

	Six months ended June 30, 2025			Six months ended June 30, 2024		
	GAAP	Adjustments (*)	Non-GAAP	GAAP	Adjustments (*)	Non-GAAP
	Unaudited			Unaudited		
Gross profit	\$ 60,325	3,368	\$ 63,693	\$ 54,627	2,343	\$ 56,970
Operating expenses	57,388	(8,132)	49,256	46,445	(3,413)	43,032
Operating income	2,937	11,500	14,437	8,182	5,756	13,938
Income before taxes on income	751	11,500	12,251	8,961	5,756	14,717
Net income	<u>3,834</u>	<u>9,954</u>	<u>13,788</u>	<u>6,266</u>	<u>5,303</u>	<u>11,569</u>
Earnings per share (basic and diluted)	<u>\$ 0.07</u>	<u>\$ 0.17</u>	<u>\$ 0.24</u>	<u>\$ 0.11</u>	<u>\$ 0.09</u>	<u>\$ 0.20</u>
Weighted average number of shares used in computing earnings per share						
Basic	<u>57,081,120</u>		<u>57,081,120</u>	<u>57,016,808</u>		<u>57,016,808</u>
Diluted	<u>57,189,406</u>		<u>58,023,137</u>	<u>57,016,808</u>		<u>57,062,883</u>

(\*) Adjustments reflect the effect of stock-based compensation as per ASC 718, amortization of purchased intangibles, other operating expenses (income), net, other non-recurring expenses, other integration expenses and income tax effect on such adjustments which is calculated using the relevant effective tax rate.

	Six months ended June 30, 2025	Six months ended June 30, 2024
	Unaudited	Unaudited
GAAP net income	\$ 3,834	\$ 6,266
Gross profit		
Stock-based compensation expenses	402	300
Amortization of purchased intangibles	2,902	1,427
Other non-recurring expenses	-	466
Other integration expenses	64	150
	<u>3,368</u>	<u>2,343</u>
Operating expenses		
Stock-based compensation expenses	1,984	1,422
Stock-based compensation related to business combination	(313)	2,166
Amortization of purchased intangibles	2,153	524
Other operating expenses (income), net	3,964	(725)
Other integration expenses	344	26
	<u>8,132</u>	<u>3,413</u>
Taxes on income	<u>(1,546)</u>	<u>(453)</u>
Non-GAAP net income	<u>\$ 13,788</u>	<u>\$ 11,569</u>

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

**ADJUSTED EBITDA:**

	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b>		<b>Unaudited</b>	
GAAP net income	\$ 3,834	\$ 6,266	\$ 9,830	\$ 1,302
Adjustments:				
Financial expenses (income), net	2,186	(779)	1,250	(266)
Taxes on income	(3,083)	2,695	(5,396)	1,755
Stock-based compensation expenses	2,386	1,722	1,312	855
Stock-based compensation related to business combination	(313)	2,166	(920)	842
Depreciation and amortization (*)	10,046	7,443	6,084	3,963
Other operating expenses (income), net	3,964	(725)	(574)	1,085
Other non-recurring expenses	-	466	-	466
Other integration expenses	408	176	211	96
Adjusted EBITDA	\$ 19,428	\$ 19,430	\$ 11,797	\$ 10,098

(\*) Including amortization of lease incentive

**SEGMENT REVENUES:**

	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b>		<b>Unaudited</b>	
Commercial	\$ 133,277	\$ 84,593	\$ 69,057	\$ 43,400
Defense	43,004	37,404	19,993	20,174
Peru	20,726	30,712	15,920	13,057
<b>Total revenues</b>	<b>\$ 197,007</b>	<b>\$ 152,709</b>	<b>\$ 104,970</b>	<b>\$ 76,631</b>

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 64,929	\$ 119,384
Restricted cash	474	853
Trade receivables, net	53,162	49,600
Contract assets	8,603	24,941
Inventories	48,737	38,890
Other current assets	45,498	21,963
<b>Total current assets</b>	<b>221,403</b>	<b>255,631</b>
<b>LONG-TERM ASSETS:</b>		
Restricted cash	14	12
Long-term contract assets	7,890	8,146
Severance pay funds	6,544	5,966
Deferred taxes	16,129	11,896
Operating lease right-of-use assets	5,980	6,556
Other long-term assets	18,043	5,288
<b>Total long-term assets</b>	<b>54,600</b>	<b>37,864</b>
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>70,480</b>	<b>70,834</b>
<b>INTANGIBLE ASSETS, NET</b>	<b>61,689</b>	<b>12,925</b>
<b>GOODWILL</b>	<b>167,706</b>	<b>52,494</b>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 575,878</u></b>	<b><u>\$ 429,748</u></b>

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current maturities of long-term loan	\$ 3,375	\$ -
Trade payables	18,541	17,107
Accrued expenses	46,295	45,368
Advances from customers and deferred revenues	57,464	18,587
Operating lease liabilities	2,919	2,557
Other current liabilities	18,621	17,817
<b>Total current liabilities</b>	<b>147,215</b>	<b>101,436</b>
<b>LONG-TERM LIABILITIES:</b>		
Long-term loans	56,497	2,000
Accrued severance pay	7,179	6,677
Long-term advances from customers and deferred revenues	25	580
Operating lease liabilities	3,229	4,014
Other long-term liabilities	45,971	10,606
<b>Total long-term liabilities</b>	<b>112,901</b>	<b>23,877</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Share capital - ordinary shares of NIS 0.2 par value	2,743	2,733
Additional paid-in capital	947,500	943,294
Accumulated other comprehensive loss	(2,843)	(6,120)
Accumulated deficit	(631,638)	(635,472)
<b>Total shareholders' equity</b>	<b>315,762</b>	<b>304,435</b>
<b><u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>	<b><u>\$ 575,878</u></b>	<b><u>\$ 429,748</u></b>

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

	Six months ended		Three months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
	Unaudited		Unaudited	
<b>Cash flows from operating activities:</b>				
Net income	\$ 3,834	\$ 6,266	\$ 9,830	\$ 1,302
Adjustments required to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	9,942	7,333	6,037	3,908
Stock-based compensation expenses	2,073	3,888	392	1,697
Accrued severance pay, net	(76)	60	(54)	115
Deferred taxes, net	(4,233)	1,724	(6,217)	1,273
Increase in trade receivables, net	(9,234)	(17,734)	(13,762)	(8,937)
Decrease (increase) in contract assets	16,552	2,982	24,350	(3,266)
Decrease (increase) in other assets and other adjustments (including short-term, long-term and effect of exchange rate changes on cash, cash equivalents and restricted cash)	11,754	5,512	(6,636)	2,005
Decrease in inventories	96	974	11,552	4,167
Increase (decrease) in trade payables	(14,690)	3,579	(6,862)	4,245
Decrease in accrued expenses	(4,587)	(2,229)	1,771	(989)
Decrease in advances from customers and deferred revenues	(15,426)	(9,486)	(14,330)	(6,732)
Increase (decrease) in other liabilities	2,526	(2,177)	(928)	(2,316)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,469)</b>	<b>692</b>	<b>5,143</b>	<b>(3,528)</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, equipment and intangible assets	(4,256)	(2,650)	(2,766)	(1,857)
Investment in other asset	(3,500)	-	(1,000)	-
Acquisitions of subsidiary, net of cash acquired	(104,943)	-	-	-
<b>Net cash used in investing activities</b>	<b>(112,699)</b>	<b>(2,650)</b>	<b>(3,766)</b>	<b>(1,857)</b>
<b>Cash flows from financing activities:</b>				
Repayment of credit facility, net	-	(7,453)	-	(4,709)
Repayment of short-term debts	-	(1,340)	-	(1,340)
Proceeds from short-term debts	-	1,469	-	1,469
Proceeds from long-term loan, net of associated costs	58,970	-	-	-
Repayment of long-term loan	(750)	-	(750)	-
<b>Net cash provided by (used in) financing activities</b>	<b>58,220</b>	<b>(7,324)</b>	<b>(750)</b>	<b>(4,580)</b>
<b>Effect of exchange rate changes on cash, cash equivalents and restricted cash</b>	<b>1,116</b>	<b>(718)</b>	<b>524</b>	<b>(450)</b>
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>(54,832)</b>	<b>(10,000)</b>	<b>1,151</b>	<b>(10,415)</b>
<b>Cash, cash equivalents and restricted cash at the beginning of the period</b>	<b>120,249</b>	<b>104,751</b>	<b>64,266</b>	<b>105,166</b>
<b>Cash, cash equivalents and restricted cash at the end of the period</b>	<b>\$ 65,417</b>	<b>\$ 94,751</b>	<b>\$ 65,417</b>	<b>\$ 94,751</b>