

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,	
	2026	2025	2026	2025
	Unaudited		Unaudited	
Revenues	\$ 233,137	\$ 197,007	\$ 122,663	\$ 104,970
Cost of revenues	158,231	136,682	85,406	73,043
Gross profit	74,906	60,325	37,257	31,927
Research and development expenses, net	23,718	23,930	11,601	12,309
Selling and marketing expenses	19,211	16,467	9,504	8,265
General and administrative expenses	22,618	13,027	12,220	6,243
Other operating expenses (income), net	281	3,964	(760)	(574)
Total operating expenses	65,828	57,388	32,565	26,243
Operating income	9,078	2,937	4,692	5,684
Financial income (expenses), net	3,462	(2,186)	2,167	(1,250)
Income before taxes on income	12,540	751	6,859	4,434
Taxes on income	841	3,083	1,288	5,396
Net income	\$ 13,381	\$ 3,834	\$ 8,147	\$ 9,830
Basic earnings per share	\$ 0.18	\$ 0.07	\$ 0.11	\$ 0.17
Diluted earnings per share	\$ 0.17	\$ 0.07	\$ 0.10	\$ 0.17
Weighted average number of shares used in computing earnings per share				
Basic	75,766,488	57,081,120	77,007,203	57,124,568
Diluted	78,341,256	57,189,406	79,427,208	57,341,141

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, 2026			Three months ended June 30, 2025		
	GAAP	Adjustments (*) Unaudited	Non-GAAP	GAAP	Adjustments (*) Unaudited	Non-GAAP
Gross profit	\$ 37,257	1,662	\$ 38,919	\$ 31,927	2,557	\$ 34,484
Operating expenses	32,565	(6,218)	26,347	26,243	(1,043)	25,200
Operating income	4,692	7,880	12,572	5,684	3,600	9,284
Income before taxes on income	6,859	7,880	14,739	4,434	3,600	8,034
Net income	<u>\$ 8,147</u>	<u>7,491</u>	<u>\$ 15,638</u>	<u>\$ 9,830</u>	<u>2,131</u>	<u>\$ 11,961</u>
Basic earnings per share	<u>\$ 0.11</u>	<u>\$ 0.09</u>	<u>\$ 0.20</u>	<u>\$ 0.17</u>	<u>\$ 0.04</u>	<u>\$ 0.21</u>
Diluted earnings per share	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ 0.20</u>	<u>\$ 0.17</u>	<u>\$ 0.04</u>	<u>\$ 0.21</u>
Weighted average number of shares used in computing earnings per share						
Basic	<u>77,007,203</u>		<u>77,007,203</u>	<u>57,124,568</u>		<u>57,124,568</u>
Diluted	<u>79,427,208</u>		<u>79,924,184</u>	<u>57,341,141</u>		<u>58,041,043</u>

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

	Three months ended June 30, 2026	Three months ended June 30, 2025
	Unaudited	Unaudited
GAAP net income	\$ 8,147	\$ 9,830
Gross profit		
Stock-based compensation expenses	199	228
Amortization of purchased intangibles	1,443	2,302
Other integration expenses	20	27
	<u>1,662</u>	<u>2,557</u>
Operating expenses		
Stock-based compensation expenses	1,523	1,084
Stock-based compensation related to business combination	4,258	(920)
Amortization of purchased intangibles	1,103	1,269
Other operating income, net	(760)	(574)
Other integration expenses	94	184
	<u>6,218</u>	<u>1,043</u>
Taxes on income	<u>(389)</u>	<u>(1,469)</u>
Non-GAAP net income	<u>\$ 15,638</u>	<u>\$ 11,961</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, 2026			Six months ended June 30, 2025		
	GAAP	Adjustments (*)	Non-GAAP	GAAP	Adjustments (*)	Non-GAAP
	Unaudited			Unaudited		
Gross profit	\$ 74,906	3,306	\$ 78,212	\$ 60,325	3,368	\$ 63,693
Operating expenses	65,828	(12,686)	53,142	57,388	(8,132)	49,256
Operating income	9,078	15,992	25,070	2,937	11,500	14,437
Income before taxes on income	12,540	15,992	28,532	751	11,500	12,251
Net income	<u>\$ 13,381</u>	<u>15,844</u>	<u>\$ 29,225</u>	<u>\$ 3,834</u>	<u>9,954</u>	<u>\$ 13,788</u>
Basic earnings per share	<u>\$ 0.18</u>	<u>\$ 0.21</u>	<u>\$ 0.39</u>	<u>\$ 0.07</u>	<u>\$ 0.17</u>	<u>\$ 0.24</u>
Diluted earnings per share	<u>\$ 0.17</u>	<u>\$ 0.20</u>	<u>\$ 0.37</u>	<u>\$ 0.07</u>	<u>\$ 0.17</u>	<u>\$ 0.24</u>
Weighted average number of shares used in computing earnings per share						
Basic	<u>75,766,488</u>		<u>75,766,488</u>	<u>57,081,120</u>		<u>57,081,120</u>
Diluted	<u>78,341,256</u>		<u>78,833,628</u>	<u>57,189,406</u>		<u>58,023,137</u>

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

	Six months ended June 30, 2026	Six months ended June 30, 2025
	Unaudited	Unaudited
GAAP net income	\$ 13,381	\$ 3,834
Gross profit		
Stock-based compensation expenses	398	402
Amortization of purchased intangibles	2,871	2,902
Other integration expenses	<u>37</u>	<u>64</u>
	<u>3,306</u>	<u>3,368</u>
Operating expenses		
Stock-based compensation expenses	3,004	1,984
Stock-based compensation related to business combination	7,000	(313)
Amortization of purchased intangibles	2,196	2,153
Other operating expenses, net	281	3,964
Other integration expenses	<u>205</u>	<u>344</u>
	<u>12,686</u>	<u>8,132</u>
Taxes on income	<u>(148)</u>	<u>(1,546)</u>
Non-GAAP net income	<u>\$ 29,225</u>	<u>\$ 13,788</u>

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

ADJUSTED EBITDA:

	Six months ended		Three months ended	
	June 30,		June 30,	
	2026	2025	2026	2025
	Unaudited		Unaudited	
GAAP net income	\$ 13,381	\$ 3,834	\$ 8,147	\$ 9,830
Adjustments:				
Financial expenses (income), net	(3,462)	2,186	(2,167)	1,250
Taxes on income	(841)	(3,083)	(1,288)	(5,396)
Stock-based compensation expenses	3,402	2,386	1,722	1,312
Stock-based compensation related to business combination	7,000	(313)	4,258	(920)
Depreciation and amortization (*)	10,530	10,046	5,414	6,084
Other operating expenses (income), net	281	3,964	(760)	(574)
Other integration expenses	242	408	114	211
Adjusted EBITDA	<u>\$ 30,533</u>	<u>\$ 19,428</u>	<u>\$ 15,440</u>	<u>\$ 11,797</u>

(*) Including amortization of lease incentive

SEGMENT REVENUES:

	Six months ended		Three months ended	
	June 30,		June 30,	
	2026	2025	2026	2025
	Unaudited		Unaudited	
Commercial	\$ 155,771	\$ 133,277	\$ 82,986	\$ 69,057
Defense	47,890	43,004	22,463	19,993
Peru	29,476	20,726	17,214	15,920
Total revenues	<u>\$ 233,137</u>	<u>\$ 197,007</u>	<u>\$ 122,663</u>	<u>\$ 104,970</u>

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

	June 30, 2026	December 31, 2025
	Unaudited	Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 144,805	\$ 168,907
Short-term deposits	14,350	16,433
Restricted cash	64	88
Trade receivables, net	107,656	85,929
Contract assets	32,792	36,987
Inventories	65,490	45,430
Other current assets	34,583	37,406
Total current assets	399,740	391,180
LONG-TERM ASSETS:		
Long-term contract assets	7,193	7,890
Severance pay funds	7,269	6,941
Deferred taxes, net	17,923	15,558
Operating lease right-of-use assets	7,510	5,922
Other long-term assets	28,696	19,871
Total long-term assets	68,591	56,182
PROPERTY AND EQUIPMENT, NET	74,309	75,172
INTANGIBLE ASSETS, NET	48,994	53,986
GOODWILL	169,534	169,534
<u>TOTAL ASSETS</u>	<u>\$ 761,168</u>	<u>\$ 746,054</u>

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

	June 30, 2026	December 31, 2025
	Unaudited	Audited
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term loan	\$ 2,000	\$ 2,000
Trade payables	45,443	31,614
Accrued expenses	73,352	58,878
Advances from customers and deferred revenues	50,215	78,499
Operating lease liabilities	3,251	2,957
Other current liabilities	28,914	41,529
Total current liabilities	203,175	215,477
LONG-TERM LIABILITIES:		
Accrued severance pay	7,818	7,508
Long-term advances from customers and deferred revenues	71	67
Operating lease liabilities	4,364	3,102
Other long-term liabilities	1,131	19,622
Total long-term liabilities	13,384	30,299
SHAREHOLDERS' EQUITY:		
Share capital - ordinary shares of NIS 0.2 par value	3,970	3,765
Additional paid-in capital	1,148,171	1,115,030
Accumulated other comprehensive loss	(6,164)	(3,768)
Accumulated deficit	(601,368)	(614,749)
Total shareholders' equity	544,609	500,278
<u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u>	<u>\$ 761,168</u>	<u>\$ 746,054</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,	
	2026	2025	2026	2025
	Unaudited		Unaudited	
<u>Cash flows from operating activities:</u>				
Net income	\$ 13,381	\$ 3,834	\$ 8,147	\$ 9,830
Adjustments required to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	10,423	9,942	5,344	6,037
Stock-based compensation expenses	10,402	2,073	5,980	392
Accrued severance pay, net	(17)	(76)	(111)	(54)
Deferred taxes, net	(2,365)	(4,233)	(2,162)	(6,217)
Increase in trade receivables, net	(22,202)	(9,234)	(7,423)	(13,762)
Decrease in contract assets	4,891	16,552	8,868	24,350
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)	1,485	11,754	11,285	(6,636)
Decrease (increase) in inventories	(20,212)	96	(20,705)	11,552
Increase (decrease) in trade payables	13,860	(14,690)	11,409	(6,862)
Increase (decrease) in accrued expenses	14,153	(4,587)	17,567	1,771
Decrease in advances from customers and deferred revenues	(28,292)	(15,426)	(27,371)	(14,330)
Increase (decrease) in other liabilities	(9,592)	2,526	(12,739)	(928)
Net cash provided by (used in) operating activities	(14,085)	(1,469)	(1,911)	5,143
<u>Cash flows from investing activities:</u>				
Purchase of property, equipment and intangible assets	(4,175)	(4,256)	(1,662)	(2,766)
Investment in other asset	-	(3,500)	-	(1,000)
Investment in short-term deposits	(14,350)	-	-	-
Proceeds from short-term deposits	16,433	-	16,433	-
Acquisitions of subsidiaries, net of cash acquired	(10,000)	(104,943)	(10,000)	-
Net cash provided by (used in) investing activities	(12,092)	(112,699)	4,771	(3,766)
<u>Cash flows from financing activities:</u>				
Proceeds from long-term loan, net of associated costs	-	58,970	-	-
Repayment of long-term loan	-	(750)	-	(750)
Proceeds from exercise of stock options	46	-	32	-
Net cash provided by (used in) financing activities	46	58,220	32	(750)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2,005	1,116	1,759	524
Increase (decrease) in cash, cash equivalents and restricted cash	(24,126)	(54,832)	4,651	1,151
Cash, cash equivalents and restricted cash at the beginning of the period	168,995	120,249	140,218	64,266
Cash, cash equivalents and restricted cash at the end of the period	\$ 144,869	\$ 65,417	\$ 144,869	\$ 65,417