



GILAT PRESS RELEASE

Gilat Reports Third Quarter 2020 Results

Petah Tikva, Israel – November 10, 2020 – Gilat Satellite Networks Ltd. (NASDAQ, TASE: GILT), a worldwide leader in satellite networking technology, solutions and services, today reported its results for the third quarter ended September 30, 2020.

Third Quarter Key Financial Highlights

- Revenues were \$37.3 million; compared to \$63.4 million in Q3 2019 and similar to that of the previous quarter.
- GAAP operating loss was \$10.9 million compared to operating income of \$7.0 million in Q3 2019 and an operating loss of \$3.5 million in the previous quarter. The GAAP operating loss in the quarter includes \$8.2 million in expenses related to the Comtech merger and litigation and their effects.
- Non-GAAP operating loss in the quarter was \$1.9 million compared with operating income of \$7.5 million in Q3 2019 and compared to an operating loss of \$2.6 million in the previous quarter.
- GAAP net loss was \$11.6 million, or loss of \$0.21 per share, compared with net income of \$6.3 million, or income of \$0.11 per diluted share in Q3 2019; GAAP net loss in the previous quarter was \$4.2 million, or loss of \$0.08 per share.
- Non-GAAP net loss was \$2.6 million, or \$0.05 per diluted share, compared with net income of \$6.8 million, or \$0.12 per diluted share, in Q3 2019, and compared with net loss of \$3.3 million, or \$0.06 per share, as reported in the prior quarter;
- Adjusted EBITDA was \$0.6 million compared with adjusted EBITDA of \$10.1 million in Q3 2019, and adjusted EBITDA of \$0.1 million in the previous quarter.
- Gilat plans to distribute \$55 million as a cash dividend, out of which \$20 million was declared and will be paid on December 2nd, 2020 and an additional \$35 million to be declared subject to court approval.
- Income from the merger termination and litigation settlement paid by Comtech will be recorded in Q4 2020.

Adi Sfadia, Gilat's Interim CEO, commented, "Albeit our third quarter results were still negatively impacted by the ongoing pandemic's effect and even more so by the litigation with Comtech, I am very optimistic as we continue to see a recovery in most of our areas of operations. During this quarter we made several significant achievements in our strategic growth engines of Cellular Backhaul, NGSO, and in our business in Peru which have resulted in significant increase in our backlog.



"Gilat continues to lead the market of Cellular Backhaul and we continue to reap the benefits of our cellular backhaul managed service strategy that allows us to enjoy larger contracts with recurring revenue. As an example, in North America we had two such major achievements this quarter. Gilat was awarded \$20 Million for a three-year managed-service contract-renewal and expansion from a Tier-1 MNO in the United States and a three-year managed service contract by Southern Linc, for coverage to remote areas as well as emergency response.

"In NGSO and VHTS, we are progressing according to schedule with our partner SES to provide our next generation innovative baseband platform for O3B mPOWER. Throughout the last year, we have been working closely with SES with the joint goal of bringing to market unparalleled customer experience in all target verticals.

"Further, we just announced that SES and Gilat expanded the O3b mPower partnership with a multi-million-dollar follow-on order for high-speed modems. The modems will deliver multi Gbps throughput, targeting high-end services over the O3b mPOWER MEO constellation.

"Lastly, in Peru, we were awarded this quarter a large contract by IPT, a consortium consisting of Telefonica and Facebook among others."

Mr. Sfadia concluded:

"I am pleased with our business accomplishments and with the healthy pipeline of significant and large opportunities and believe that these accomplishments will enable us to demonstrate a sequentially improved fourth quarter, both in terms of revenues and profitability."

Key Recent Announcements

- SES and Gilat Expand Partnership with Multi-Million-Dollar Follow-on Order for High-Speed Modems
- Gilat Hires BG (Res.) Eyal Zelinger as Global Defense Vice President and General Manager
- Gilat Plans to Distribute \$55 Million in Dividends to Shareholders
- Gilat Successfully Demonstrates Carrying 5G Traffic with Outstanding Performance over Thaicom's GEO HTS Satellite
- US Department of Defense Awards Gilat Multi-Million-Dollar Orders for Military Communications Program
- Gilat Awarded \$20 Million Cellular Backhaul Managed Service Contract Renewal and Expansion from Tier-1 MNO in the United States
- Gilat Satellite Networks Chosen by Southern Linc for 4G Cellular Backhaul Services
- Comtech Telecommunications Corp. and Gilat Satellite Networks Ltd. Terminate Merger Agreement and Settle Litigation

Conference call details

Gilat's management will discuss its third quarter 2020 results and business achievements and participate in a question and answer session:

Date: Tuesday, November 10, 2020
Start: 09:30 AM EST / 16:30 IST
Dial-in: US: 1-866-744-5399
International: (972) 3-918-0609



A simultaneous Webcast of the conference call will be available on the Gilat website at www.gilat.com and through this link: www.veidan-stream.com/gilatq3-2020.html

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

Conference Call Replay

Start: November 10, 2020 at 12:00 PM EST / 19:00 IST
End: November 13, 2020 at 12:00 PM EST / 19:00 IST
Dial-in: US: 1-888-326-9310
International: (972) 3-925-5904

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 costs 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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