



GILAT PRESS RELEASE

Gilat Reports Fourth Quarter and Full Year 2020 Results

*Fourth Quarter GAAP Net Profit of \$62.4 million and Adjusted EBITDA of \$1.1 million
Net Profit includes termination fees, net of costs*

*Dov Baharav, Chairman of the Board, Announced His Plans to Step Down During
2021*

Petah Tikva, Israel – February 16, 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 fourth quarter and full year ended December 31, 2020.

Fourth Quarter Financial Highlights

- Revenues of \$42.6 million versus \$78.3 million in Q4 2019 and improved from \$37.3 million in the previous quarter;
- GAAP operating income of \$62.7 million versus \$9.2 million in Q4 2019 and an operating loss of \$10.9 million in Q3 2020; GAAP operating income includes income related to the settlement with Comtech, net of related expenses, of \$64.8 million;
- Non-GAAP operating loss of \$1.6 million, compared with operating income of \$9.9 million in Q4 2019, improved compared with an operating loss of \$1.9 million in the previous quarter;
- GAAP net income of \$62.4 million, or income of \$1.12 per diluted share, compared with net income of \$24.0 million, or income of \$0.43 per diluted share in Q4 2019 and net loss in the previous quarter of \$11.6 million, or loss of \$0.21 per share; GAAP net income includes \$64.8 million income related to the settlement with Comtech, net of related expenses, while GAAP net income in Q4 2019 includes a \$15.5 million tax benefit;
- Non-GAAP net loss of \$1.9 million, or loss of \$0.03 per diluted share, compared with net income of \$9.1 million, or income of \$0.16 per diluted share in Q4 2019, and an improvement compared with a net loss of \$2.6 million, or loss of \$0.05 per share, as reported in the previous quarter;
- Adjusted EBITDA of \$1.1 million compared with adjusted EBITDA of \$13.1 million in Q4 2019; and improved compared with adjusted EBITDA of \$0.6 million in the previous quarter;
- Received \$70 million in merger cancellation fees from Comtech;
- Cash dividend of \$20 million paid to shareholders during the quarter; additional cash dividend of \$35 million declared in the quarter and paid in January 2021;

Full year 2020 Financial Highlights

- Revenue of \$165.9 million, compared with \$263.5 million in 2019;



- GAAP operating income of \$37.6 million compared to \$25.6 million in 2019; GAAP operating income includes income of \$53.6 million related to the settlement with Comtech, net of related expenses;
- Non-GAAP operating loss of \$13.7 million compared with non-GAAP operating income of \$29.2 million in 2019;
- GAAP net income of \$34.9 million or \$0.63 per diluted share compared with \$36.5 million in 2019 or \$0.65 per diluted share; GAAP net income includes income of \$53.6 million related to the settlement with Comtech, net of related expenses, while GAAP net income in 2019 includes a \$15.5 million tax benefit;
- Non-GAAP net loss of \$16.4 million or loss of \$0.30 per diluted share compared to non-GAAP net income of \$24.7 million or income of \$0.44 per diluted share in 2019;
- Adjusted EBITDA was \$3.3 million loss compared with adjusted EBITDA of \$40.2 million in 2019;

Management Commentary

Adi Sfadia, Gilat's CEO, commented: "During 2020, and specifically during the second half of the year, we made major technological achievements and closed some very significant deals, all of which position us very well for 2021 and onward. In particular, we saw wins in most of our growth areas, mainly Cellular Backhaul and NGSO.

"We won multiple managed service deals providing us with significant recurring revenue. In 5G backhaul - another growth engine for us, we are making solid headway and during the year, we successfully demonstrated the transport of 5G traffic with outstanding performance over Thaicom's GEO HTS satellite. We also solidified our position, as a front-runner in providing the ground-segment for NGSO constellations, with an award in the fourth quarter with a potential of over \$50M in support of a LEO constellation.

"In addition, given that IFC is and will continue to play a major role in attracting air travelling customers, I am confident that as air travel resumes its recovery, we will see a significant rise in demand for our IFC products and solutions."

Mr. Sfadia concluded, "I am very encouraged by our strong bookings in the second half of 2020 which have continued into 2021, as well as the enormous investments targeting our industry. Despite my belief that the pandemic may still effect our 2021 operation to some extent, I am confident that our 2021 operating results will be materially better than those of 2020."

Dov Baharav stated: "Today I announced my plan to step down from my position as chairman of Gilat's Board of Directors during 2021 and retire, following a seven year tenure. I will retain my position until a new Chariman is appointed. I conclude my period with great pride and with a feeling of satisfaction. In the last seven years the company reached extraordinary technological and business achievements, and is extremely well positioned to take advantage of the robust opportunities we are currently seeing in the market."

Key Recent Announcements

- Gilat Shipped Initial Aero Modems Out of a Multi-Million-Dollar Potential in China
- CORPAC Awards Gilat Multi-Million-Dollar Contract to Provide Mission Critical Telecom Systems for Peru's Airports



- Gilat Awarded Contract with a Potential of Over \$50 Million to Supply Wavestream's Gateway Solid State Power Amplifiers for Low Earth Orbit Constellation
- Gilat's Proven ESA Technology Successfully Demonstrated over Inmarsat's Global Xpress
- AXESS Awards Gilat Multi-Million Dollars to Expand Cellular Coverage for Two Key Mobile Operators in Mexico
- Globe Awards Gilat Multi-Million US Dollar Managed Service Contract for Significant Expansion of Cellular Backhaul Project
- Gilat Declares \$35 Million Cash Dividend to Shareholders
- Hispasat Awards Gilat a Multi-Million Dollar Order for Cellular Backhaul over Satellite to Extend Altan La Red Compartida Service to Rural Mexico
- Gilat Equips Hundreds of Boats, Vessels and Cruise Ships with Satellite Communication
- Gilat Receives Multi-Million-Dollar Order for a US Department of Defense Tactical Communications Program
- United States Government Awards Gilat Additional Multi-Million-Dollar Contract for Military Communications Program

Conference Call Details

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

Date: Tuesday, February 16, 2021
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/gilatq4-2020.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: February 16, 2021 at 12:00 PM EST / 19:00 IST
End: February 19, 2021 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, trade secrets and other litigation expenses, 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.



Contact:

Gilat Satellite Networks
Doreet Oren, Director Corporate Communications
DoreetO@gilat.com

Ehud Helft
GK Investor & Public Relations
gilat@gkir.com
+1 646 688 3559