



GILAT PRESS RELEASE

Gilat Reports First Quarter 2021 Results

Petah Tikva, Israel – May 4, 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 first quarter of 2021.

First Quarter Financial Highlights

- **Revenues of \$44.7 million** versus \$47.7 million in Q1 2020 and up from \$42.6 million in the previous quarter;
- **GAAP operating loss of \$3.7 million** versus operating loss of \$10.8 million in Q1 2020 and an operating income of \$62.7 million in Q4 2020; GAAP operating income in Q4 2020 included income related to the legal settlement with Comtech, net of related expenses, of \$64.8 million;
- **Non-GAAP operating loss of \$3.8 million**, compared with operating loss of \$7.6 million in Q1 2020, and an operating loss of \$1.6 million in the previous quarter;
- **GAAP net loss of \$5.1 million**, or loss of \$0.09 per diluted share, compared with net loss of \$11.8 million, or loss of \$0.21 per diluted share in Q1 2020 and net income in the previous quarter of \$62.4 million, or income of \$1.12 per share; GAAP net income in the previous quarter included \$64.8 million income related to the settlement with Comtech, net of related expenses;
- **Non-GAAP net loss of \$5.2 million**, or loss of \$0.09 per diluted share, compared with net loss of \$8.6 million, or loss of \$0.15 per diluted share in Q1 2020, and compared with a net loss of \$1.9 million, or loss of \$0.03 per share, as reported in the previous quarter;
- **Adjusted EBITDA loss of \$1.4 million** compared with adjusted EBITDA loss of \$5.0 million in Q1 2020; and adjusted EBITDA of \$1.1 million in the previous quarter;

Management Commentary

Adi Sfadia, Gilat's CEO, commented: "We continue to see strong momentum across all our business units, with the exception of the IFC market segment, which is yet to show a recovery. We believe that this growth trend will continue during 2021 and expect to show sequential quarterly growth throughout the year and increasing profitability. Looking further out, 2022 is expected to show significant improvement both in revenue and profitability with the pick-up in IFC, Cellular Backhaul and NGSO.

"As a testament to the strong momentum we are seeing, I am very pleased to report that we entered a mega strategic agreement valued at tens of millions of dollars, including a potential for significant project expansions, with a large government corporation in Asia Pacific. I believe that we will see additional large strategic transactions in the near future.



"In light of the many opportunities we see ahead of us, we are investing significant R&D efforts in order to capture these opportunities and accelerate our future growth. We expect that NGSO, IFC and Cellular Backhaul will be the main market segments that will drive this growth during 2021 and beyond, and we also see strong potential for the defense business to support our growth in a more meaningful way than it has done in the past.

"We made positive progress during the first quarter in our strategic growth areas of NGSO and Cellular Backhaul. We received additional orders for a LEO constellation, where our gateway Solid State Power Amplifiers (SSPAs) have been selected as the solution of choice. On the Cellular Backhaul front, we received a multi-million-dollar expansion and follow-on orders from Tier-1 mobile operators around the globe including in Japan, Australia, Europe and South America.

"In addition, we have made great progress in Peru with the government's acceptance for the operational phase in the Cusco region, bringing us significantly closer to our goal of recurring revenue of over \$50M in Peru."

Key Recent Announcements

- Gilat Enters Strategic Agreement Valued at Tens of Millions of Dollars with a Large Government Corporation in Asia Pacific
- Gilat Achieves Critical Milestone in Peru with Approval to Enter Operational Phase, Unlocking Access to Recurring Revenue of Multi Million Dollars per Annum
- Tier-1 Telco in Latin America Awards Gilat Over \$3M to Provide Broadband Connectivity in Support of Bridging the Digital Divide
- Gilat Receives Over \$5M for Cellular Backhaul Expansion from Tier-1 Mobile Network Carrier in Japan
- Gilat Awarded Over \$20 Million in Orders for Support of Low Earth Orbit Constellation
- SES Selected Gilat to Enable Tier-1 4G/LTE MNO in Brazil to Provide Broadband Connectivity for Education
- Telespazio Selects Gilat to Supply Enterprise Connectivity in Brazil for a Multinational Leading Energy Company
- Gilat Announces Appointment of Isaac Angel as Chairman of the Board
- Gilat's In-Flight Connectivity High-Power Transceiver Successfully Tested by Global Eagle Entertainment for DO-160G Certification
- Gilat Launches Next Generation VSAT Family Supporting 5G Networks and LEO/MEO Constellations

Conference Call Details

Gilat's management will discuss its first quarter 2021 results and business achievements and participate in a questions and answers session:

Date: Tuesday, May 4, 2021
Start: 9:30 AM ET / 4:30 PM IT
Dial-in: US: 1-866-744-5399
International: +972-3-918-0610



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/gilatq1-2021.html

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

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 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.

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