

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

	Three months ended March 31,	
	2024	2023
	Unaudited	
Revenues	\$ 76,078	\$ 58,962
Cost of revenues	48,024	34,277
<b>Gross profit</b>	<b>28,054</b>	<b>24,685</b>
Research and development expenses, net	9,319	9,619
Selling and marketing expenses	7,077	6,009
General and administrative expenses	8,077	4,431
Other operating income, net	(1,810)	(2,387)
<b>Total operating expenses</b>	<b>22,663</b>	<b>17,672</b>
<b>Operating income</b>	<b>5,391</b>	<b>7,013</b>
Financial income (expenses), net	513	(149)
<b>Income before taxes on income</b>	<b>5,904</b>	<b>6,864</b>
Taxes on income	940	1,284
<b>Net income</b>	<b>\$ 4,964</b>	<b>\$ 5,580</b>
<b>Earnings per share (basic and diluted)</b>	<b>\$ 0.09</b>	<b>\$ 0.10</b>
<b>Weighted average number of shares used in computing earnings per share</b>		
Basic	57,016,585	56,613,485
Diluted	57,016,585	56,623,432

**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 March 31, 2024			Three months ended March 31, 2023		
	GAAP	Adjustments (*) Unaudited	Non-GAAP	GAAP	Adjustments (*) Unaudited	Non-GAAP
Gross profit	\$ 28,054	726	\$ 28,780	\$ 24,685	75	\$ 24,760
Operating expenses	22,663	(499)	22,164	17,672	1,809	19,481
Operating income	5,391	1,225	6,616	7,013	(1,734)	5,279
Income before taxes on income	5,904	1,225	7,129	6,864	(1,734)	5,130
Net income	<u>\$ 4,964</u>	<u>1,050</u>	<u>\$ 6,014</u>	<u>\$ 5,580</u>	<u>(1,734)</u>	<u>\$ 3,846</u>
Earnings per share (basic and diluted)	<u>\$ 0.09</u>	<u>\$ 0.02</u>	<u>\$ 0.11</u>	<u>\$ 0.10</u>	<u>\$ (0.03)</u>	<u>\$ 0.07</u>
Weighted average number of shares used in computing earnings per share						
Basic	<u>57,016,585</u>		<u>57,016,585</u>	<u>56,613,485</u>		<u>56,613,485</u>
Diluted	<u>57,016,585</u>		<u>57,108,734</u>	<u>56,623,432</u>		<u>56,623,432</u>

(\*) Adjustments reflect the effect of stock-based compensation expenses 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 March 31, 2024 Unaudited	Three months ended March 31, 2023 Unaudited
GAAP net income	\$ 4,964	\$ 5,580
Gross profit		
Stock-based compensation expenses	150	75
Amortization of purchased intangibles	507	-
Other integration expenses	69	-
	<u>726</u>	<u>75</u>
Operating expenses		
Stock-based compensation expenses	717	527
Stock-based compensation expenses related to business combination	1,324	-
Amortization of purchased intangibles	257	51
Other operating income, net	(1,810)	(2,387)
Other integration expenses	11	-
	<u>499</u>	<u>(1,809)</u>
Taxes on income	(175)	-
Non-GAAP net income	<u>\$ 6,014</u>	<u>\$ 3,846</u>

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

**ADJUSTED EBITDA:**

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	
GAAP net income	\$ 4,964	\$ 5,580
Adjustments:		
Financial expenses (income), net	(513)	149
Taxes on income	940	1,284
Stock-based compensation expenses	867	602
Stock-based compensation expenses related to business combination	1,324	-
Depreciation and amortization (*)	3,481	3,163
Other operating income, net	(1,810)	(2,387)
Other integration expenses	80	-
Adjusted EBITDA	<u>\$ 9,333</u>	<u>\$ 8,391</u>

(\*) Including amortization of lease incentive

**SEGMENT REVENUES:**

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	
Satellite Networks	\$ 46,773	\$ 33,546
Integrated Solutions	11,650	12,919
Network Infrastructure and Services	17,655	12,497
<b>Total revenues</b>	<u><b>\$ 76,078</b></u>	<u><b>\$ 58,962</b></u>

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

	<b>March 31,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 104,057	\$ 103,961
Restricted cash	1,057	736
Trade receivables, net	53,459	44,725
Contract assets	22,775	28,327
Inventories	41,241	38,525
Other current assets	20,873	24,299
<b>Total current assets</b>	<b>243,462</b>	<b>240,573</b>
<b>LONG-TERM ASSETS:</b>		
Restricted cash	52	54
Long-term contract assets	8,587	9,283
Severance pay funds	5,673	5,737
Deferred taxes	10,893	11,484
Operating lease right-of-use assets	4,911	5,105
Other long-term assets	9,772	9,544
<b>Total long-term assets</b>	<b>39,888</b>	<b>41,207</b>
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>72,624</b>	<b>74,315</b>
<b>INTANGIBLE ASSETS, NET</b>	<b>15,354</b>	<b>16,051</b>
<b>GOODWILL</b>	<b>54,740</b>	<b>54,740</b>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 426,068</u></b>	<b><u>\$ 426,886</u></b>

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

	<b>March 31,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Short-term debt	\$ 4,709	\$ 7,453
Trade payables	13,169	13,873
Accrued expenses	50,489	51,906
Advances from customers and deferred revenues	31,967	34,495
Operating lease liabilities	2,643	2,426
Other current liabilities	18,915	16,431
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<b>Total current liabilities</b>	<b>121,892</b>	<b>126,584</b>
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<b>LONG-TERM LIABILITIES:</b>		
Long-term loan	2,000	2,000
Accrued severance pay	6,418	6,537
Long-term advances from customers and deferred revenues	906	1,139
Operating lease liabilities	2,516	3,022
Other long-term liabilities	11,516	12,916
	<hr/>	<hr/>
<b>Total long-term liabilities</b>	<b>23,356</b>	<b>25,614</b>
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<b>SHAREHOLDERS' EQUITY:</b>		
Share capital - ordinary shares of NIS 0.2 par value	2,733	2,733
Additional paid-in capital	939,062	937,591
Accumulated other comprehensive loss	(5,618)	(5,315)
Accumulated deficit	(655,357)	(660,321)
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<b>Total shareholders' equity</b>	<b>280,820</b>	<b>274,688</b>
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<b><u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>	<b><u>\$ 426,068</u></b>	<b><u>\$ 426,886</u></b>

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

	Three months ended	
	March 31,	
	2024	2023
	Unaudited	
<b><u>Cash flows from operating activities:</u></b>		
Net income	\$ 4,964	\$ 5,580
<b>Adjustments required to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and amortization	3,425	3,107
Stock-based compensation expenses	2,191	602
Accrued severance pay, net	(55)	297
Deferred taxes, net	451	1,126
Decrease (increase) in trade receivables, net	(8,797)	6,491
Decrease in contract assets	6,248	4,917
Decrease (increase) in other assets and other adjustments (including short-term, long-term and effect of exchange rate changes on cash and cash equivalents)	3,507	(2,767)
Increase in inventories	(3,193)	(7,623)
Increase (decrease) in trade payables	(666)	1,989
Decrease in accrued expenses	(1,240)	(2,199)
Decrease in advances from customers and deferred revenues	(2,754)	(4,469)
Increase (decrease) in other liabilities	139	(848)
<b>Net cash provided by operating activities</b>	<b>4,220</b>	<b>6,203</b>
<b><u>Cash flows from investing activities:</u></b>		
Purchase of property and equipment	(793)	(3,032)
<b>Net cash used in investing activities</b>	<b>(793)</b>	<b>(3,032)</b>
<b><u>Cash flows from financing activities:</u></b>		
Repayment of short-term debt, net	(2,744)	-
<b>Net cash used in financing activities</b>	<b>(2,744)</b>	<b>-</b>
<b>Effect of exchange rate changes on cash, cash equivalents and restricted cash</b>	<b>(268)</b>	<b>(577)</b>
<b>Increase in cash, cash equivalents and restricted cash</b>	<b>415</b>	<b>2,594</b>
<b>Cash, cash equivalents and restricted cash at the beginning of the period</b>	<b>104,751</b>	<b>87,145</b>
<b>Cash, cash equivalents and restricted cash at the end of the period</b>	<b>\$ 105,166</b>	<b>\$ 89,739</b>