

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

	Twelve months ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
	Unaudited	Audited	Unaudited	
Revenues	\$ 305,448	\$ 266,090	\$ 78,128	\$ 75,612
Cost of revenues	192,117	161,145	47,107	46,692
Gross profit	113,331	104,945	31,021	28,920
Research and development expenses, net	38,136	41,173	10,108	11,624
Selling and marketing expenses	27,381	25,243	6,657	7,119
General and administrative expenses	26,868	19,215	6,192	6,312
Other operating expenses (income), net	(6,751)	(8,771)	(4,706)	986
Total operating expenses	85,634	76,860	18,251	26,041
Operating income	27,697	28,085	12,770	2,879
Financial income, net	1,504	109	63	1,196
Income before taxes on income	29,201	28,194	12,833	4,075
Taxes on income	(4,352)	(4,690)	(1,069)	(628)
Net income	\$ 24,849	\$ 23,504	\$ 11,764	\$ 3,447
Earnings per share (basic and diluted)	\$ 0.44	\$ 0.41	\$ 0.21	\$ 0.06
Weighted average number of shares used in computing earnings per share				
Basic	57,016,920	56,668,999	57,017,032	56,820,774
Diluted	57,016,920	56,672,537	57,017,032	56,820,774

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 December 31, 2024			Three months ended December 31, 2023		
	GAAP	Adjustments (*) Unaudited	Non-GAAP	GAAP	Adjustments (*) Unaudited	Non-GAAP
Gross profit	\$ 31,021	\$ 575	\$ 31,596	\$ 28,920	\$ 617	\$ 29,537
Operating expenses	18,251	3,680	21,931	26,041	(2,615)	23,426
Operating income	12,770	(3,105)	9,665	2,879	3,232	6,111
Income before taxes on income	12,833	(3,105)	9,728	4,075	3,232	7,307
Net income	<u>\$ 11,764</u>	<u>\$ (3,252)</u>	<u>\$ 8,512</u>	<u>\$ 3,447</u>	<u>\$ 3,097</u>	<u>\$ 6,544</u>
Basic earnings per share	<u>\$ 0.21</u>	<u>\$ (0.06)</u>	<u>\$ 0.15</u>	<u>\$ 0.06</u>	<u>\$ 0.06</u>	<u>\$ 0.12</u>
Diluted earnings per share	<u>\$ 0.21</u>	<u>\$ (0.06)</u>	<u>\$ 0.15</u>	<u>\$ 0.06</u>	<u>\$ 0.05</u>	<u>\$ 0.11</u>
Weighted average number of shares used in computing earnings per share						
Basic	<u>57,017,032</u>		<u>57,017,032</u>	<u>56,820,774</u>		<u>56,820,774</u>
Diluted	<u>57,017,032</u>		<u>57,024,316</u>	<u>56,820,774</u>		<u>56,987,939</u>

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

	Three months ended December 31, 2024	Three months ended December 31, 2023
	Unaudited	Unaudited
GAAP net income	\$ 11,764	\$ 3,447
Gross profit		
Stock-based compensation expenses	133	129
Amortization of purchased intangibles	389	448
Other integration expenses	53	40
	<u>575</u>	<u>617</u>
Operating expenses		
Stock-based compensation expenses	653	796
Stock-based compensation expenses related to business combination	140	662
Amortization of purchased intangibles	216	162
Other operating income (expenses), net and other integration expenses	(4,689)	995
	<u>(3,680)</u>	<u>2,615</u>
Taxes on income	(147)	(135)
Non-GAAP net income	<u>\$ 8,512</u>	<u>\$ 6,544</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)

	Twelve months ended December 31, 2024			Twelve months ended December 31, 2023		
	GAAP	Adjustments (*)	Non-GAAP	GAAP	Adjustments (*)	Non-GAAP
		Unaudited		Audited	Unaudited	
Gross profit	\$ 113,331	\$ 3,673	\$ 117,004	\$ 104,945	\$ 895	\$ 105,840
Operating expenses	85,634	(500)	85,134	76,860	5,434	82,294
Operating income	27,697	4,173	31,870	28,085	(4,539)	23,546
Income before taxes on income	29,201	4,173	33,374	28,194	(4,539)	23,655
Net income	<u>\$ 24,849</u>	<u>\$ 3,376</u>	<u>\$ 28,225</u>	<u>\$ 23,504</u>	<u>\$ (3,597)</u>	<u>\$ 19,907</u>
Basic earnings per share	<u>\$ 0.44</u>	<u>\$ 0.06</u>	<u>\$ 0.50</u>	<u>\$ 0.41</u>	<u>\$ (0.06)</u>	<u>\$ 0.35</u>
Diluted earnings per share	<u>\$ 0.44</u>	<u>\$ 0.05</u>	<u>\$ 0.49</u>	<u>\$ 0.41</u>	<u>\$ (0.06)</u>	<u>\$ 0.35</u>
Weighted average number of shares used in computing earnings per share						
Basic	<u>57,016,920</u>		<u>57,016,920</u>	<u>56,668,999</u>		<u>56,668,999</u>
Diluted	<u>57,016,920</u>		<u>57,041,778</u>	<u>56,672,537</u>		<u>56,784,601</u>

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

	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
	Unaudited	Unaudited
GAAP net income	\$ 24,849	\$ 23,504
Gross profit		
Stock-based compensation expenses	518	407
Amortization of purchased intangibles	2,412	448
Other non-recurring expenses	466	-
Other integration expenses	277	40
	<u>3,673</u>	<u>895</u>
Operating expenses		
Stock-based compensation expenses	2,771	2,354
Stock-based compensation expenses related to business combination	3,437	662
Amortization of purchased intangibles	988	312
Other operating income, net and other integration expenses	(6,696)	(8,762)
	<u>500</u>	<u>(5,434)</u>
Taxes on income	(797)	942
Non-GAAP net income	<u>\$ 28,225</u>	<u>\$ 19,907</u>

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

ADJUSTED EBITDA:

	Twelve months ended		Three months ended	
	December 31,		December 31,	
	2024	2023	2024	2023
	Unaudited		Unaudited	
GAAP net income	\$ 24,849	\$ 23,504	\$ 11,764	\$ 3,447
Adjustments:				
Financial income, net	(1,504)	(109)	(63)	(1,196)
Taxes on income	4,352	4,690	1,069	628
Stock-based compensation expenses	3,289	2,761	786	925
Stock-based compensation expenses related to business combination	3,437	662	140	662
Depreciation and amortization (*)	13,777	13,627	3,068	3,862
Other operating expenses (income), net	(6,751)	(8,771)	(4,706)	986
Other non-recurring expenses	466	-	-	-
Other integration expenses	332	49	70	49
Adjusted EBITDA	<u>\$ 42,247</u>	<u>\$ 36,413</u>	<u>\$ 12,128</u>	<u>\$ 9,363</u>

(*) Including amortization of lease incentive

SEGMENT REVENUES:

	Twelve months ended		Three months ended	
	December 31,		December 31,	
	2024	2023	2024	2023
	Unaudited	Audited	Unaudited	
Satellite Networks	\$ 198,174	\$ 168,527	\$ 49,064	\$ 53,517
Integrated Solutions	54,925	46,133	17,257	9,503
Network Infrastructure and Services	52,349	51,430	11,807	12,592
Total revenues	<u>\$ 305,448</u>	<u>\$ 266,090</u>	<u>\$ 78,128</u>	<u>\$ 75,612</u>

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

	December 31, 2024	December 31, 2023
	Unaudited	Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 119,384	\$ 103,961
Restricted cash	853	736
Trade receivables, net	53,554	44,725
Contract assets	20,987	28,327
Inventories	38,890	38,525
Other current assets	21,963	24,299
Total current assets	255,631	240,573
LONG-TERM ASSETS:		
Restricted cash	12	54
Long-term contract assets	8,146	9,283
Severance pay funds	5,966	5,737
Deferred taxes	11,896	11,484
Operating lease right-of-use assets	6,556	5,105
Other long-term assets	5,288	9,544
Total long-term assets	37,864	41,207
PROPERTY AND EQUIPMENT, NET	70,834	74,315
INTANGIBLE ASSETS, NET	12,925	16,051
GOODWILL	52,494	54,740
<u>TOTAL ASSETS</u>	<u>\$ 429,748</u>	<u>\$ 426,886</u>

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

	December 31, 2024	December 31, 2023
	Unaudited	Audited
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt	\$ -	\$ 7,453
Trade payables	17,107	13,873
Accrued expenses	45,368	51,906
Advances from customers and deferred revenues	18,587	34,495
Operating lease liabilities	2,557	2,426
Other current liabilities	17,817	16,431
Total current liabilities	101,436	126,584
LONG-TERM LIABILITIES:		
Long-term loan	2,000	2,000
Accrued severance pay	6,677	6,537
Long-term advances from customers and deferred revenues	580	1,139
Operating lease liabilities	4,014	3,022
Other long-term liabilities	10,606	12,916
Total long-term liabilities	23,877	25,614
SHAREHOLDERS' EQUITY:		
Share capital - ordinary shares of NIS 0.2 par value	2,733	2,733
Additional paid-in capital	943,294	937,591
Accumulated other comprehensive loss	(6,120)	(5,315)
Accumulated deficit	(635,472)	(660,321)
Total shareholders' equity	304,435	274,688
<u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u>	<u>\$ 429,748</u>	<u>\$ 426,886</u>

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

	Twelve months ended		Three months ended	
	December 31,		December 31,	
	2024	2023	2024	2023
	Unaudited	Audited	Unaudited	
Cash flows from operating activities:				
Net income	\$ 24,849	\$ 23,504	\$ 11,764	\$ 3,447
Adjustments required to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	13,554	13,402	3,012	3,805
Capital gain from sale of property	-	(2,084)	-	-
Stock-based compensation *)	6,726	3,423	926	1,587
Accrued severance pay, net	(89)	167	(72)	12
Deferred taxes, net	1,834	2,662	298	(1,203)
Decrease (increase) in trade receivables, net	(9,347)	13,448	(2,328)	9,561
Decrease (increase) in contract assets	8,519	(1,694)	11,506	(7,804)
Decrease (increase) in other assets and other adjustments (including short-term, long-term and effect of exchange rate changes on cash and cash equivalents)	11,661	(351)	8,590	(3,949)
Decrease (increase) in inventories, net	(1,928)	(2,387)	544	3,798
Increase (decrease) in trade payables	3,196	(7,635)	(1,884)	(2,314)
Increase (decrease) in accrued expenses	(5,906)	735	(8,581)	3,517
Increase (decrease) in advances from customers and deferred revenues	(16,390)	803	(4,228)	(1,843)
Increase (decrease) in other liabilities	(5,010)	(12,049)	(3,265)	1,343
Net cash provided by operating activities	31,669	31,944	16,282	9,957
Cash flows from investing activities:				
Purchase of property and equipment	(6,610)	(10,746)	(2,515)	(2,090)
Acquisitions of subsidiary, net of cash acquired	-	(4,107)	-	(4,107)
Receipts from sale of property	-	2,168	-	-
Net cash used in investing activities	(6,610)	(12,685)	(2,515)	(6,197)
Cash flows from financing activities:				
Repayment of credit facility, net	(7,453)	(1,590)	-	(1,590)
Repayments of short-term debts	(7,836)	-	(3,793)	-
Proceeds from short-term debts	7,836	-	1,066	-
Costs associated with entering into a long-term debt	(654)	-	(654)	-
Net cash used in financing activities	(8,107)	(1,590)	(3,381)	(1,590)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,454)	(63)	(896)	2,288
Increase in cash, cash equivalents and restricted cash	15,498	17,606	9,490	4,458
Cash, cash equivalents and restricted cash at the beginning of the period	104,751	87,145	110,759	100,293
Cash, cash equivalents and restricted cash at the end of the period	\$ 120,249	\$ 104,751	\$ 120,249	\$ 104,751

*) Stock-based compensation including expenses related to business combination in the amounts of \$3,437 and \$662 for the twelve months ended December 31, 2024 and 2023, respectively.
Stock-based compensation including expenses related to business combination in the amounts of \$140 and \$662 for the three months ended December 31, 2024 and 2023, respectively.