

aselsan

2020 3rd Quarter Earnings Release

October 27, 2020

ASELSAN CONTINUES PROFITABLE GROWTH

2020 third quarter financial results of ASELSAN have been announced. ASELSAN reached its third quarter profit of 3 Billion TL. The company's revenue grew by 10% and reached 8.4 billion TL.

The positive momentum in ASELSAN's profitability indicators continued in the first nine months of 2020. The company's gross profit increased by 21% compared to the same period of the previous year. Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA) also increased by 17% to TL 1,816 million. The EBITDA margin stood at 21.6%.

Strong profitability also continued to feed ASELSAN's equity growth. The company's equity grew by 20% compared to the end of the year and exceeded 16 Billion TL. The equity to assets ratio, which was 53% at the end of 2019, rose to 56% at the end of the nine-month period.

ASELSAN Chairman, President and CEO Prof. Dr. Haluk GÖRGÜN evaluated the financial results of the company for the third quarter of the year:

"In the third quarter of 2020, the effects of the coronavirus pandemic continued to be seen all over the world. I would like to express that this period is a period in which negativities are turned into opportunities for ASELSAN. We left behind a period in which we continued our investments without slowing down, taking into account our increasing business volume and our backlog that we anticipate to grow in the coming years. In order to ensure the sustainability of our production and engineering activities, at our Akyurt and Gölbaşı facilities and our facility located in the Başkent Organized Industrial Zone, we continued our infrastructure and machinery-equipment investments. On the other hand, in the past nine months, we created 1,100 new jobs and further strengthened our production and human resources".

746 Millions Dollars of New Orders

Carrying its technological leadership mission in the sector to international markets at the same time, ASELSAN managed to receive new orders of 746 million dollars in total in nine months of 2020. Prof. Dr. Haluk GÖRGÜN said, "There is a noticeable increase in the number of countries to which we export over the years. In line with our goals of increasing our effectiveness in foreign markets, we established a company that will focus on marketing and sales activities in Ukraine during this period. Thus, we continued our journey of transformation into a global defense company with a total of 28 subsidiaries and branches, 12 of which are abroad. Also in this period, with the support of Turkish Eximbank, we created the infrastructures for prospective large-scale agreements in North Africa, South America and the Far East, including the European market. During the pandemic period, our ventilator device, which we produced as a national product, was exported to Kazakhstan in the amount of 19 Million Dollars. I believe that this product, which is in demand from many countries of the world, will reach much larger export volumes in the future. "

ASELSAN Takes Its Place in TEKNOFEST

Always emphasizing that the most important value of the company is human resources, Prof. Dr. Haluk GÖRGÜN said, "As in the last two years, we have provided our actual support to TEKNOFEST as a stakeholder organization in order to transfer our company's 45 years of experience to future generations. We were happy to be a part of an important platform where thousands of young people eager to work in the field of technology can realize their ideas and projects, while witnessing the growing interest of young people in the production and development of national technology at TEKNOFEST 2020, which was attended by our President and our senior state officials. ASELSAN will continue to take place in such organizations as the flag carrier company of the national technology move. "

The Company That Employs the Most Number of Researchers

According to the research made by Turkishtime "Turkey's R&D Expenditures Top 250 Companies", ASELSAN ranking first with its numerous R&D projects, took first place in the list with 620 projects. In terms of R&D employees, ASELSAN maintains its position as the company employing the most number of R&D personnel. Prof. Dr. Haluk GÖRGÜN said, "Even in these difficult days, we carry out both R&D and other investment activities without any interruption. We continue to transfer ASELSAN's profitable growth to both the Turkish defense industry and non-defense areas such as health, energy and finance. Despite all difficulties, our company's mission requires superior performance under all conditions. With this awareness, we will continue to work day and night without slowing down and giving up our goals.

2020 3Q Financial Highlights

(Million TL)

Balance Sheet Items	Sep'20	Dec'19	Δ%	Balance Sheet Items	Sep'20	Dec'19	Δ%
Current Assets	15.702	13.976	12	Liabilities	12.607	12.064	5
Non-Current Assets	13.197	11.657	13	Equity	16.292	13.569	20
Total Assets	28.899	25.633	13	Liabilities & Equity	28.899	25.633	13

(Million TL)

Income Statement Items	Sep'20	Sep'19	Δ%
Revenue	8.423	7.648	10
Gross Profit	2.240	1.850	21
<i>Gross Profit Margin</i>	<i>26,6%</i>	<i>24,2%</i>	-
Operating Profit (EBIT)	1.604	1.391	15
<i>Operating Profit Margin (EBIT)</i>	<i>19%</i>	<i>18,2%</i>	-
EBITDA	1.816	1.558	17
<i>EBITDA Margin</i>	<i>21,6%</i>	<i>20,4%</i>	-
Net Profit	2.999	1.979	52
<i>Net Profit Margin</i>	<i>35,6%</i>	<i>25,9%</i>	-

- ✓ Revenues are 8.423 Million TL and increased by 10% compared to the same period of the previous year.
- ✓ The newly signed contracts reached 746 Million USD and the backlog is 9.5 Billion USD.
- ✓ Total assets increased by 13% compared to the year-end and reached 28.899 Million TL.
- ✓ EBITDA is 1.816 Million TL and increased by 17% compared to the same period of the previous year.
- ✓ Gross profit margin was 26,6% and increased 240 bp compared to the same period of the previous year.
- ✓ Return on Assets (ROA) is 17% (December 2019: 15%).
- ✓ Revenue per employee is 243 Thousand USD.

ASELSAN financial reports can be accessed through the link:

<https://www.aselsan.com.tr/en/investor-relations/financial-data/financial-reports>

ASELSAN investor presentations can be accessed through the link:

<https://www.aselsan.com.tr/en/investor-relations/financial-data/investor-presentations>

CONTACT

Address

**ASELSAN Elektronik Sanayi ve Ticaret A.Ş.
Mehmet Akif Ersoy Mah. 296. Cad. No:16
06200 Yenimahalle, Ankara
Phone: +90 850 828 1 828**

E-Mail

aselsan.ir@aselsan.com.tr

FORWARD LOOKING STATEMENTS

These materials contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except to the extent required by law, we assume no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

This release does not constitute an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in this release or on its completeness, accuracy or fairness. None of the Company nor any of its shareholders, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection therewith.