

Rafael concludes FY 2020 with sales of \$2.7 billion and net profit of \$94 million

Tel Aviv, March 25, 2021 – Rafael Advanced Defense Systems Ltd. has released its financial results for the 2020 fiscal year. Rafael develops and manufactures advanced defense systems for the IDF and the defense establishment in Israel and for many countries around the world, with over 100 global partnerships.

In 2020, Rafael recorded sales totaling 2.7 billion dollars, and a net profit of 94 million dollars. Its orders were 2.3 billion dollars, and its order backlog was 7.1 billion dollars, equivalent to 2.3 years of sales activity.

Category	2020 Results	2019 Results
Net Profits after taxes	\$94 M (322M Shekels)	\$111M (397M Shekels)
Sales	\$2,746M (9,454M Shekels)	\$2,723M (9,707M Shekels)
Orders	\$2,295M (7,900M Shekels)	\$2,823M (10,064M Shekels)
Order Backlog	\$7,116M (22,880M Shekels)	\$ 7,173M (24,790M Shekels)

In 2020, the company made a number of milestone achievements, including the delivery of two Iron Dome batteries and of the Trophy Active Protection Systems to the US Army, the selection of its SPYDER air defense system by the Czech Republic, expansion of the SPIKE user family to new markets, new contracts for its SPICE, Litening and Bnet systems, completion of development of the i-Derby ER air-to-air missile GBAD variant, addition of new capabilities to the Iron Dome system and combined interception tests with the David's Sling air defense systems, entrance into the multi-dimension combat system domain, and more. It also won a contract for a cross-service intelligence program with the Israeli Ministry of Defense, and was awarded two Israel Security Prizes, for the 54th time since the company's establishment.

In 2020, Rafael continued to develop, manufacture and market its systems and capabilities, providing users with end-to-end solutions for various air, land, naval, space and cyber requirements. Despite COVID-19 limitations, Rafael continued to stand by its commitment of on-time delivery to its customers around the world, while remaining active in forging new industrial alliances with its global partners to facilitate domestic production, transfer of technology and support of local economies.

In addition, in 2020 Rafael continued its investment and professional development of its human capital, while maintaining its significant investment in R&D (9.3% of sales) and its cooperation with academic institutions, opening new R&D facilities throughout the country, mainly dealing with cyber, intelligence, AI, space, and other emerging technologies.

Rafael is one of Israel's three largest defense companies, with 8,000 employees and numerous subcontractors and service suppliers, indirectly providing employment for some 20,000 households.

Rafael's Chairman, Dr. Uzi Landau: "Through the challenges and complexities of 2020, Rafael has maintained its unique ability to continue serving as Israel's high-tech pillar of defense and maintain its solid position as a robust, vibrant, business-oriented company, with remarkable technological achievements. This is primarily due to its employees' hard work and dedication, to our partners in Israel and across the globe, and to the support of the company's management and board of directors. I wish to express my appreciation and gratitude to all of them, for their contribution to the security of the State of Israel and to Rafael's continuing success in Israel and around the world."

Rafael's President & CEO, Maj. Gen. (Ret.) Yoav Har-Even: "In the past year we have continued to carry out a wide variety of activities to address the security needs of Israel and of our customers and partners around the world. Our performance has been widely affected by the global COVID-19 crisis, lack of a national budget in Israel, and the erosion of the Shekel-to-Dollar exchange rates. However, our foresight and planning, through careful marketing, operational activities, and above all, the commitment of all of our employees, have been effective in reducing the impact of these factors, and meet all of our deadlines and delivery commitments, while expanding our business activity in areas such as M&A, penetration into new markets, and development of new domains of activity."