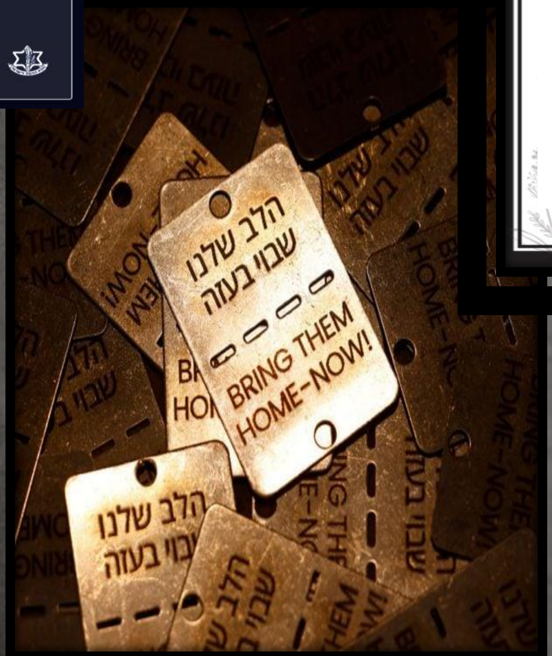
Investor Meeting

Financial Statements as at 31.03.24

Sgt. Major (res) Elias Moshayoff,
33, Pardes Hannah-Karkur,
261st Division
Soldier in Battalion 6261, fell in battle in Gaza, 22.1.2024



With love and longing, we remember our loving and kind director and friend,
Aviv Kutz
and his family – his wife Livnat and their three children, Rotem, Yonatan, and Yiftach

After the horrific events of 7.10.23, all members of the Kutz family was found in the home they had so loved in Kfar Aza, all on one bed, the father on top of them all, his arms embracing his loved ones.

Remembering the murdered and the fallen. Praying for the return of the hostages from captivity, the return of IDF soldiers from the front and the recovery of the physically and emotionally injured.

Clarifications

- The presentation contains the Company's forecasts, estimates and plans regarding its operations and other information about future events and matters, which constitute forward-looking information, as defined in the Securities Law, 1968, and realization thereof is uncertain and may be affected by factors that are unforeseeable or beyond the Company's control. Therefore, the Company is uncertain whether its forecasts and/or estimates and/or plans will be realized, in whole or in part, or whether they will be realized differently than expected, among other things, due to factors beyond the its control, changes in market conditions and the business and competition environment, as well as materialization of any of the Company's risk factors.
- The presentation includes, among other things, information from various publications as well as data received from external sources (noted in the presentation), and macroeconomic facts and figures, the contents of which have not been reviewed by the Company independently, including slides relating to analyst ratings, all as known by the Company at the time of preparation of the presentation.
- For the avoidance of doubt, we note that the Company does not undertake to update and/or change the information included in this presentation.
- This presentation was prepared as a summary and for convenience only, and is not intended to be in lieu of a review of the reports publicized by the Company, including its financial statements.
- The information contained in this presentation is subject to that stated in the relevant Company's reports.
- This presentation should not be viewed an offer or invitation to acquire the Company's securities. The information included in the presentation is not a recommendation or opinion to invest in the Company and is not in lieu a potential investor's judgment

Leaders

For 18 consecutive years, we have been leading the information technology market and performing the most advanced IT projects in Israel using the most up-to-date technology for the leading customers in the economy.

11,200 Professionals

51% female

Israel	**10,311**
US	**636**
EU	**253**

Leadership & Growth Characteristics

- **The largest and leading IT company in Israel in the last decade with a double-digit growth rate in revenues and profit**
- The Company has the widest range of solutions
- For the past 18 years, the Company has been rated by STKI as the IT market leader in Israel and ranks #1 in most innovative technologies.
- Broad sectoral distribution and thousands of customers from all industries with a range of services and solutions
- Extensive and successful operations in the US
- Consistent organic growth together with expansion of supplementary areas of operation through dozens of successful acquisitions

Operating Segments

- **Israel Operations:**
  - Software solutions and services, consulting and management
  - Sales, marketing, and support for software products
  - Cloud infrastructure and computing
  - Training and implementation
- **US and Canada Operations:**
  - Software solutions and services, and consulting on cybercrime prevention, regulation, and risk management for the banking sector - GRC
  - Software development and support services
  - Software marketing and support

Leaders

For 18 consecutive years, we have been leading the information technology market and carrying out innovative IT projects in Israel using the most current technologies for the leading customers in the economy

matrix

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636

253

Leading Partners

salesforce
aws
Microsoft
Google Cloud
MongoDB.
IBM
bmc
Red Hat
ptc
cisco
SAP
hp
dynatrace
ORACLE®
DELL EMC

Analyst Ratings

stki.info
IT Knowledge Integrators

Market leader in added value services for **18** consecutive years
May 2024

Midroog
A SUBSIDIARY OF MOODY'S

Leading credit rating in the **IT** industry - **Aa3**
15 consecutive years
March 2024

Q1/24 - A record quarter for organic growth

Record growth in sales, gross profit, operating profit and net profit

Sales - 12.6% growth to NIS 1.45 billion

Gross profit - 9.8% growth to NIS 207 million

Operating profit - 9.1% growth to NIS 110.7 million

Net profit - 9.3% growth to NIS 71.4 million

Net profit attributed to shareholders - 13% growth to NIS 68.6 million

The War's Impact

- As of the financial statements and the reporting date, 165 and 175 of the Company's employees (respectively) are on active reserve duty. The impact of the expected partial government reimbursement for them during the year's first quarter is **insignificant.**

- **The activity of the training** and implementation segment (which constitutes 4% of the Company's volume of operations) **has presented recovery** and it is profitable again after presenting a loss in the fourth quarter of 2023.

Q1/24 - A record quarter from organic growth

Geographic information	Q1.24	Q1.23	Change in %
Revenues			
Revenues from customers in Israel	1,355,242	1,205,301	12.4%
Revenues from customers in the United States	118,690	107,870	10.0%
Revenues from customers in Europe	21,250	19,483	9.1%
Inter-segmental adjustments	(41,469)	(41,501)	
Total revenues	**1,453,713**	**1,291,153**	**12.6%**
Operating profit			
Operating profit from customers in Israel	96,507	87,605	10.2%
Operating profit from customers in the United States	16,969	14,705	15.4%
Operating profit from customers in Europe	1,809	1,735	4.3%
Inter-segmental adjustments	(4,607)	(2,580)	
Total operating profit	**110,678**	**101,465**	**9.1%**

matrix

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Q1/24 - A record quarter from organic growth

9.3% of revenues and 16.3% of operating profit are from customers abroad

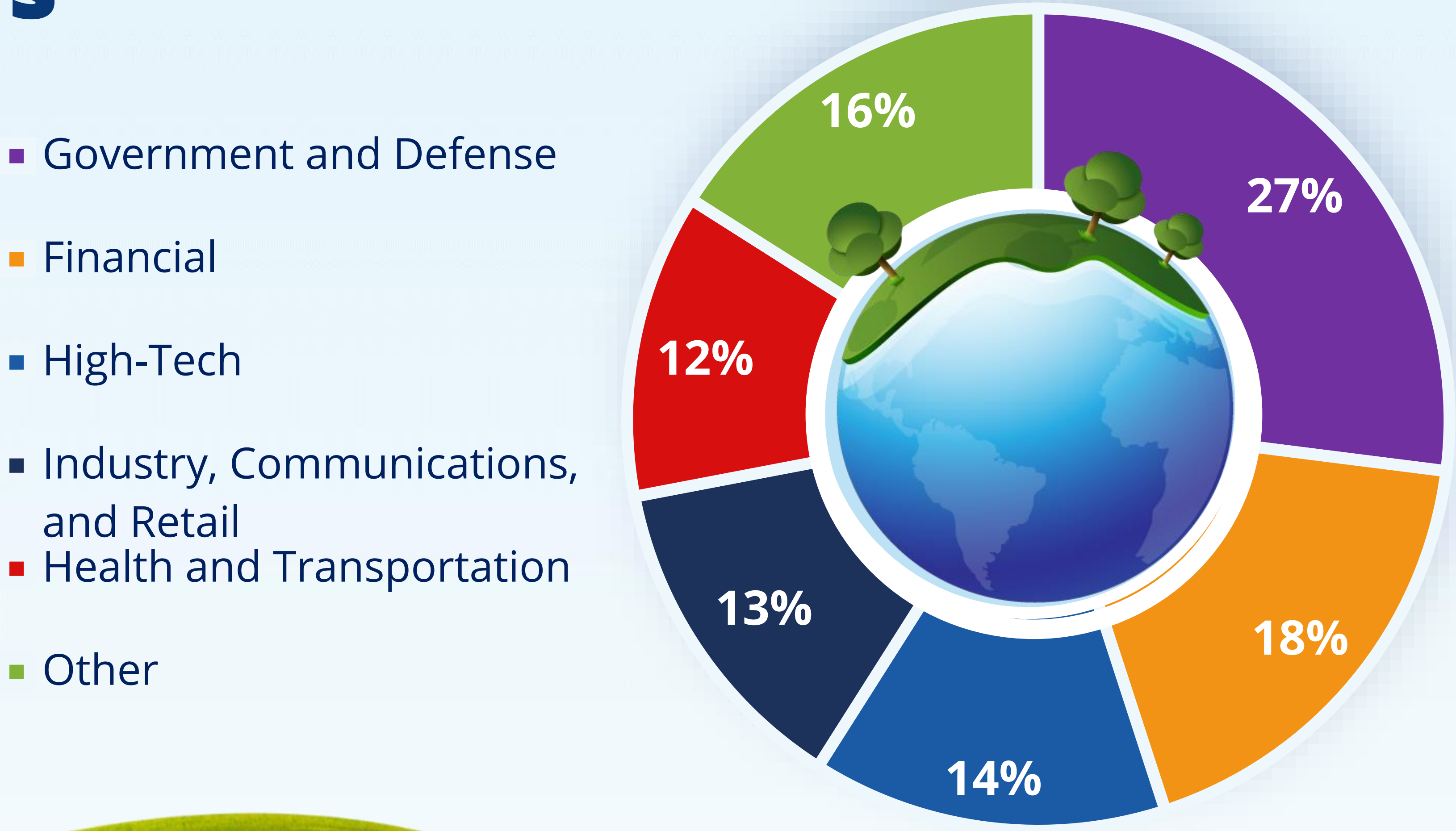
Revenues Presented Geographically	Q1.24	Q1.23
Revenues from customers in Israel	90.7%	90.4%
Revenues from customers in the United States	7.9%	8.1%
Revenues from customers in Europe	1.4%	1.5%
Total revenues	100%	100%

Geographical contribution to operating profit	Q1/24	Q1/23
Operating profit in Israel	83.7%	84.2%
Operating profit in United States	14.7%	14.1%
Operating profit in Europe	1.6%	1.7%
	100%	100%

Q1/24 - A record quarter from organic growth

- **Advantage of diversification – a wide range of products/services, sectoral, technological, and geographic distribution**
  - **Consistent growth of revenues and profit in the US**
  - Strong growth in the **financial sector, government sector, security establishment, health system, and national infrastructure**
  - Strong demand for services and products in which **Matrix is the market leader – in the digital, data, cyber, and cloud**
  - Substantial investments of cosumers in **tangible infrastructure** to improve resilience and business continuity against the background of the war
  - The continued growth of the engineering activities with emphasis on the **Metro project**
  - Continued growth trend in the backlog of **multiannual mega projects** and CRM, ERP, and core systems projects
  - Continued growth trend in carrying out **multiannual transactions for software products in a subscription model (ARR)**

Breakdown of revenues* by areas of operations of customers

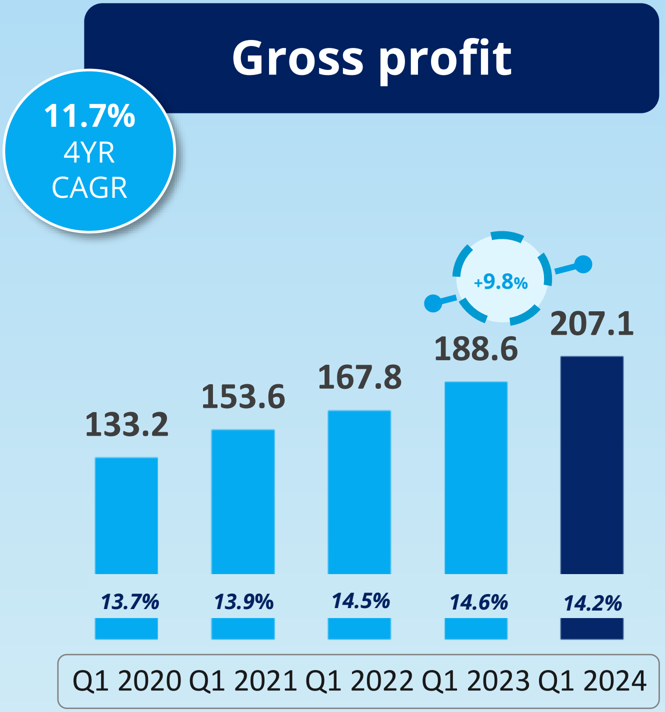


* According to 2023 revenues

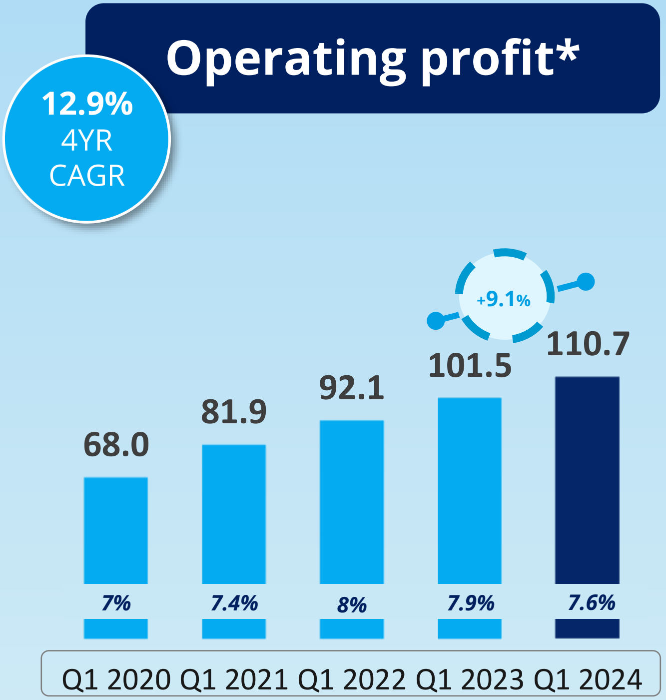
Q1/2024 Financial Statements

Summary of Q1/2024 – Record quarter in all parameters
Main results (in millions of NIS)

12.6% growth in revenues to NIS 1.45 billion



9.8% growth in gross profit to NIS 207.1 million



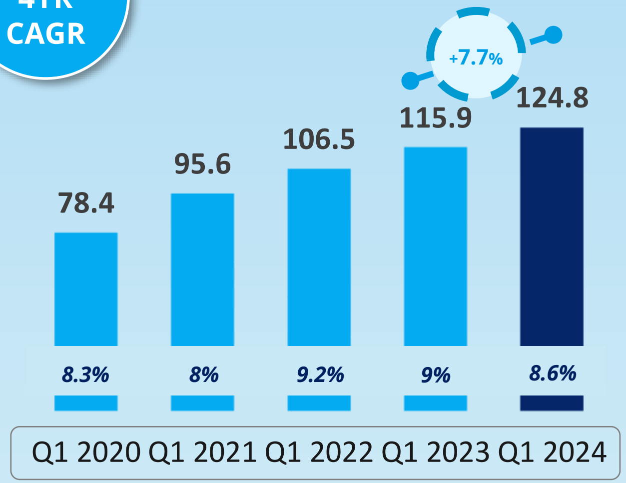
9.1% growth in operating profit to NIS 110.7 million

* In 2022 - excluding profit from the realization of an investment in a subsidiary, (about NIS 150 million)

Summary of Q1/2024 – Record quarter in all parameters
Main results (in millions of NIS)

Adjusted EBITDA*

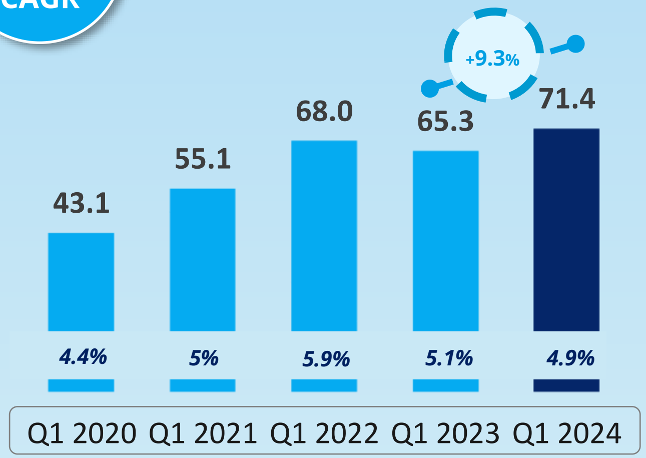
12.3%
4YR
CAGR



7.7% growth in adjusted EBITDA to a record of NIS 124.8 million

Net income**

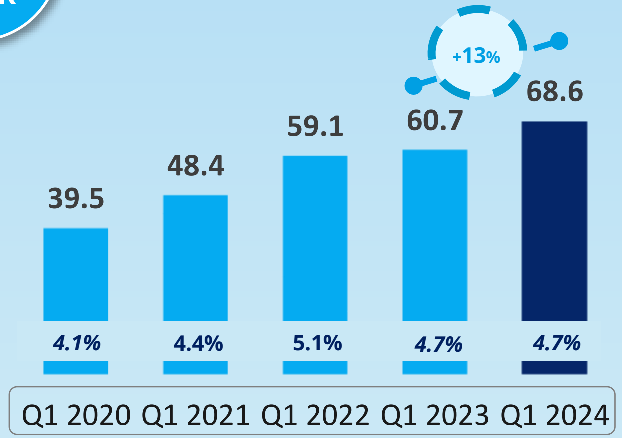
13.5%
4YR
CAGR



9.3% growth in net profit to a record of NIS 71.4 million

Net income to shareholders**

14.8%
4YR
CAGR



13% growth in net earnings to shareholders to NIS 68.6 million

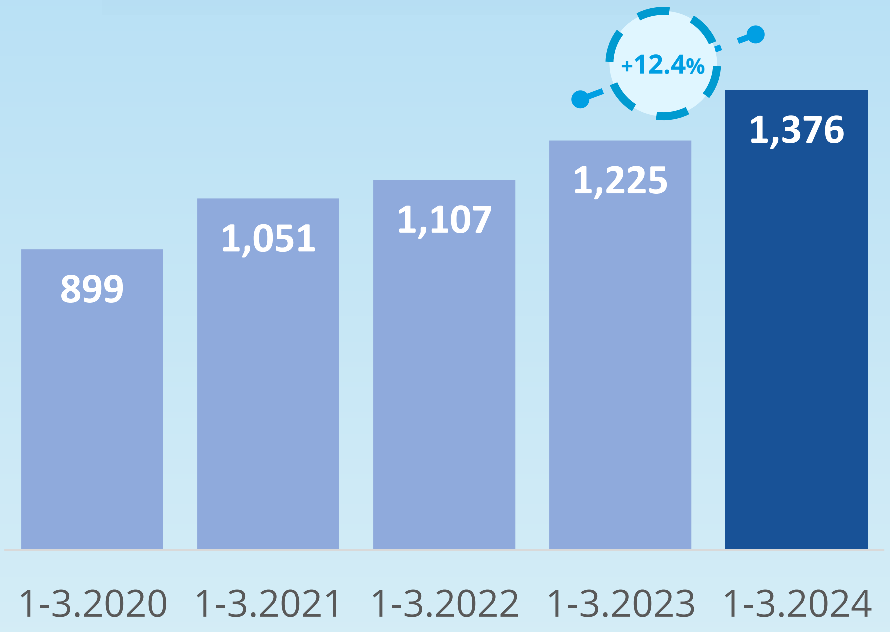
* Earnings before financing, taxes, depreciation and amortization, net of the effect of IFRS 16 - Leases
** In 2022 - excluding profit from the realization of an investment in a subsidiary, net of tax (about NIS 121 million)

Israel Operations

Operations in Israel* - Q1/2024 (in NIS millions)

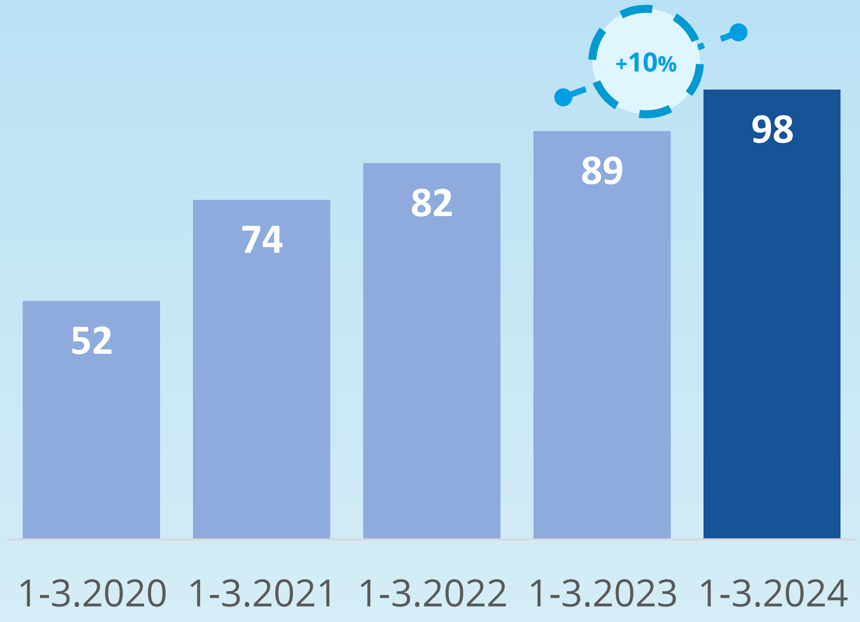
11.2% 4YR CAGR

Revenues - 12.4% growth in the quarter



17.2% 4YR CAGR

Operating profit - 10% growth in the quarter



*** Including the results of operations in Europe, in immaterial amounts**

Operating segments in Israel - Q1/2024
(in NIS thousands)

	Revenues			Operating profit		
	Q1/2024	Q1/2023	%	Q1/2024	Q1/2023	%
Information technology solutions and services, consulting, and management in Israel	**794,264**	736,005	**7.9%**	**61,589**	54,230	**13.6%**
Profit margin (%)				***7.8%***	***7.4%***	

- Organic growth in volumes despite the decrease in workdays in the quarter (1.6%) compared to the corresponding quarter (due to the municipal election day) and against the background of the effect of the war
- Growth in the core systems, digital, cyber, cloud, and data operations in which Matrix is the market leader
- Mega projects provide high visibility over time
- Extensive growing operations with the security and defence establishment

Operating segments in Israel - Q1/2024
(in NIS thousands)

	Revenues			Operating profit		
	Q1/2024	Q1/2023	%	Q1/2024	Q1/2023	%
Information technology solutions and services, consulting, and management in Israel	794,264	736,005	7.9%	61,589	54,230	13.6%
Profit margin (%)				7.8%	7.4%	
Cloud and computing infrastructures	**437,782**	375,184	**16.7%**	**27,630**	23,169	**19.3%**
Profit margin (%)				***6.3%***	***6.2%***	

- Growth in volumes, with emphasis on sales, marketing and integration of IT systems for business continuity and cloud

Operating segments in Israel - Q1/2024

(in NIS thousands)

	Revenues			Operating profit		
	Q1/2024	Q1/2023	%	Q1/2024	Q1/2023	%
Information technology solutions and services, consulting, and management in Israel	794,264	736,005	7.9%	61,589	54,230	13.6%
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Cloud and computing infrastructures	437,782	375,184	16.7%	27,630	23,169	19.3%
Profit margin (%)				6.3%	6.2%	
Software marketing and support	**97,351**	62,480	**55.8%**	**7,359**	5,237	**40.5%**
Profit margin (%)				***7.6%***	***8.4%***	

- Significant organic growth in volums. The decrease in profit margin is attributed to changes in the blend of transactions

Operating segments in Israel - Q1/2024
(in NIS thousands)

	Revenues			Operating profit		
	Q1/2024	Q1/2023	%	Q1/2024	Q1/2023	%
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Software marketing and support	97,351	62,480	55.8%	7,359	5,237	40.5%
Profit margin (%)				7.6%	8.4%	
Training and implementation	**47,095**	51,115	**(7.9%)**	**1,738**	6,704	**(74.1%)**
Profit margin (%)				***3.7%***	***13.1%***	

- Continued slowdown in demand in the training operations (which constitute less than 4% of the Company's operations), due to the slowdown in demand for juniors in the technology sector
- The training segment is characterized by a high rate of fixed expenses - the effect of the war on the profit of the training segment is material
- However, a certain recovery is evident in the training segment, which showed a profit after a loss in the fourth quarter of 2023

US Operations

Created in Midjourney AI platform

Operating segments - Q1/2024

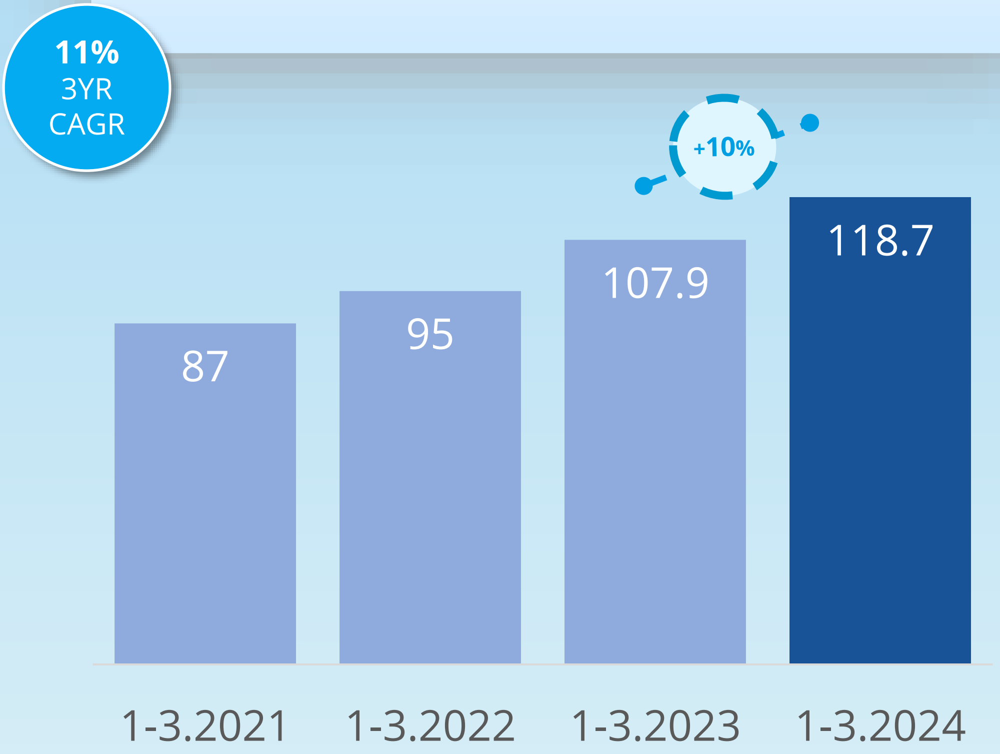
(NIS thousands)

	Revenues			Operating profit		
	Q1/2024	Q1/2023	%	Q1/2024	Q1/2023	%
Information technology solutions and services, consulting, and management in Israel	794,264			61,589		
Information technology solutions and services, consulting, and management in the US	**118,690**	107,870	**10%**	**16,969**	14,705	**15.4%**
Profit margin (%)				***14.3%***	***13.6%***	

- Continued USD and NIS growth in volums, while improving utilization

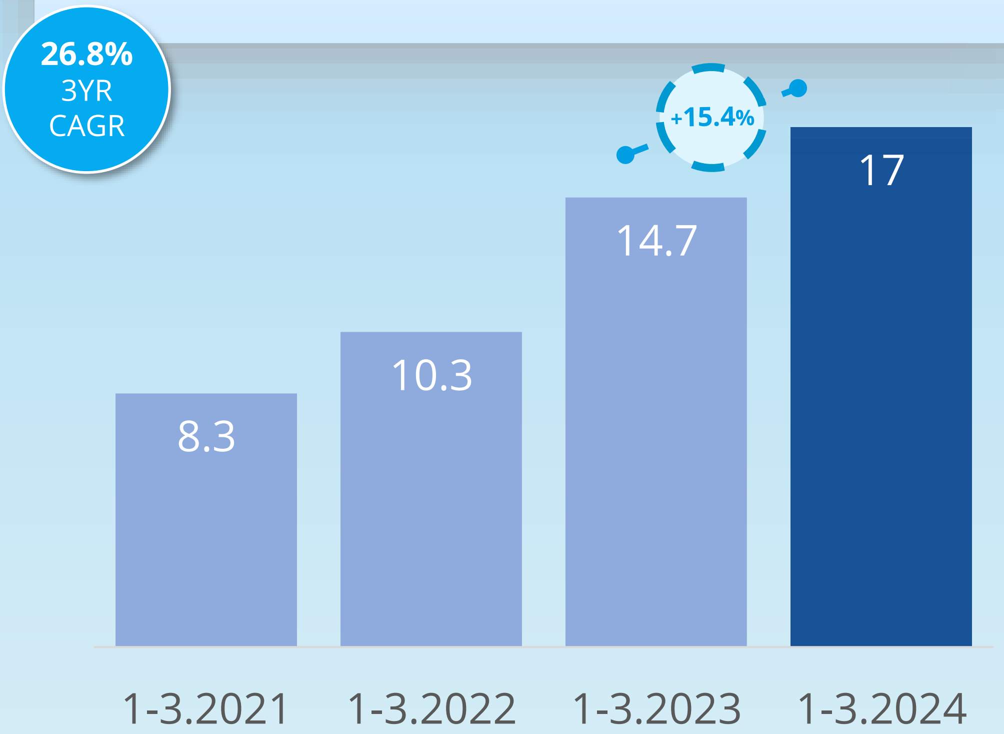
Operations in the US - Q1/2024
(in NIS millions)

Revenues - 10% growth to NIS 118.7 million



Operating profit -15.4% growth to NIS 17 million

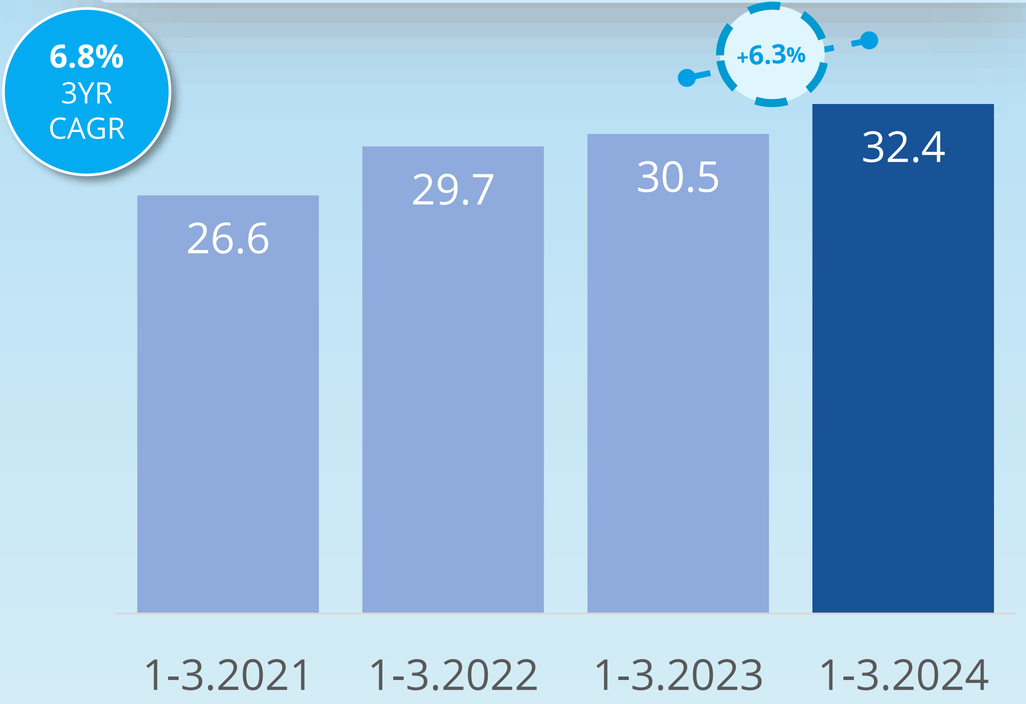
An increase in the operating profit margin to 14.3%



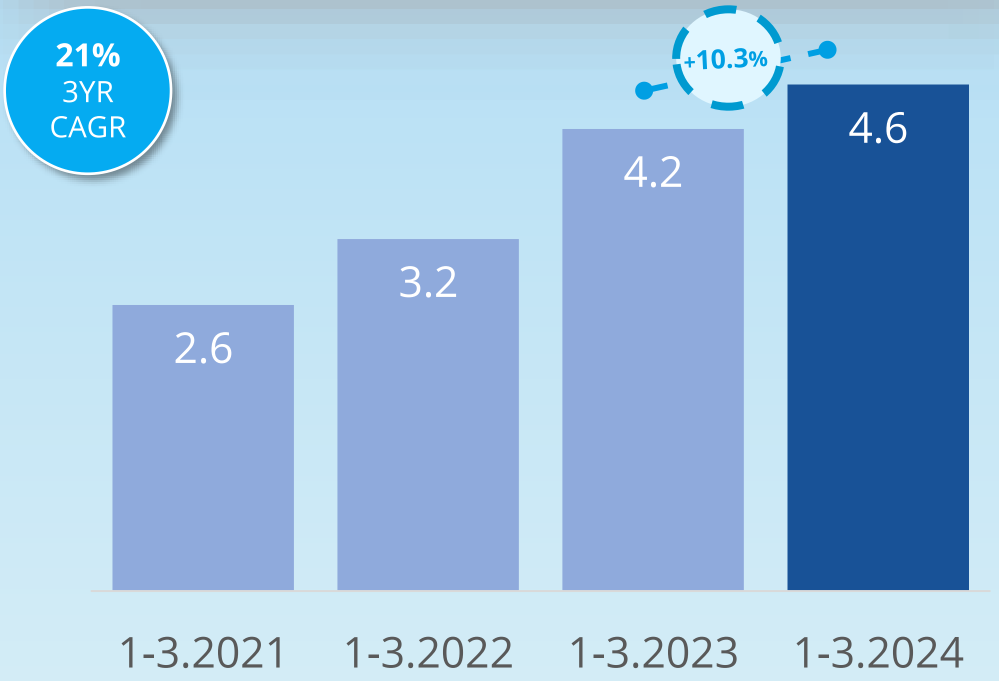
Operations in the US - Q1/2024

(in USD millions)

Revenues - 6.3% growth to USD 32.4 million

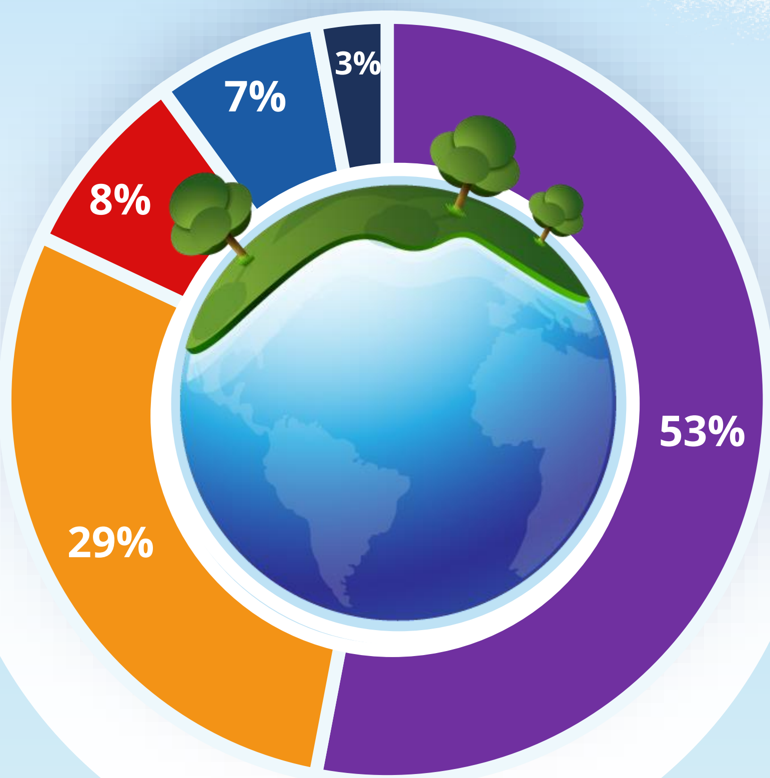


Operating profit - 10.3% growth to USD 4.6 million
and increase in profit margin to 14.3%

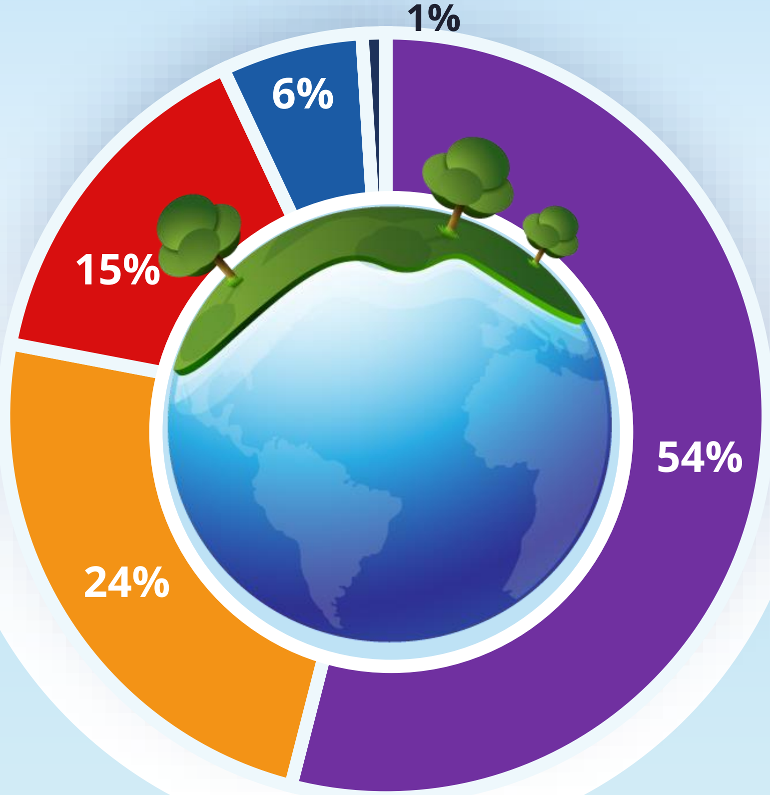


Breakdown of revenues and profit by operating segment in Q1/2024

Revenues



Contribution to profit



- Software Services
- Cloud and Infrastructures
- US Operations
- Software
- Training and implementation

Financial Indexes

Financial indexes (NIS millions)

	31.03.24	31.03.2023
Cash and cash equivalents	561	640
Unused credit facilities*	1,377	1,448
Total liquid assets	**1,938**	**2,088**

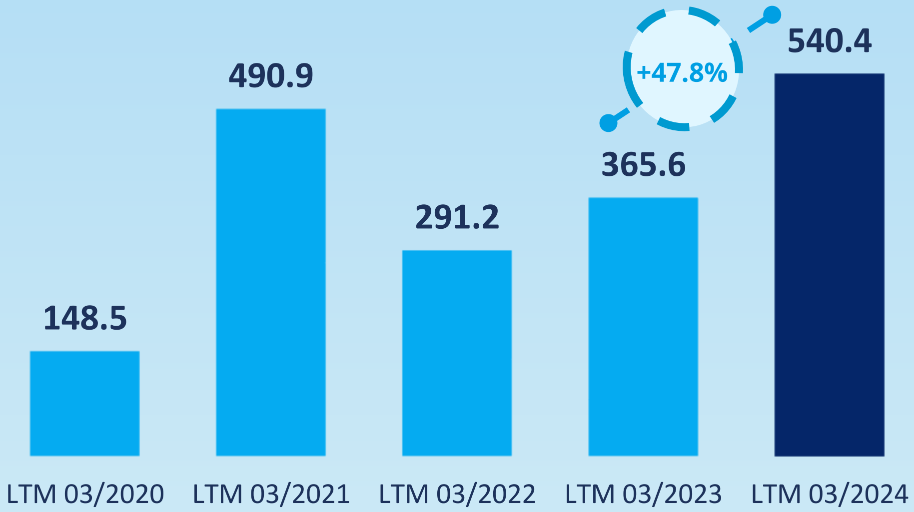
* Of which NIS 500 million comitted credit facilities

Cash flows from current operations

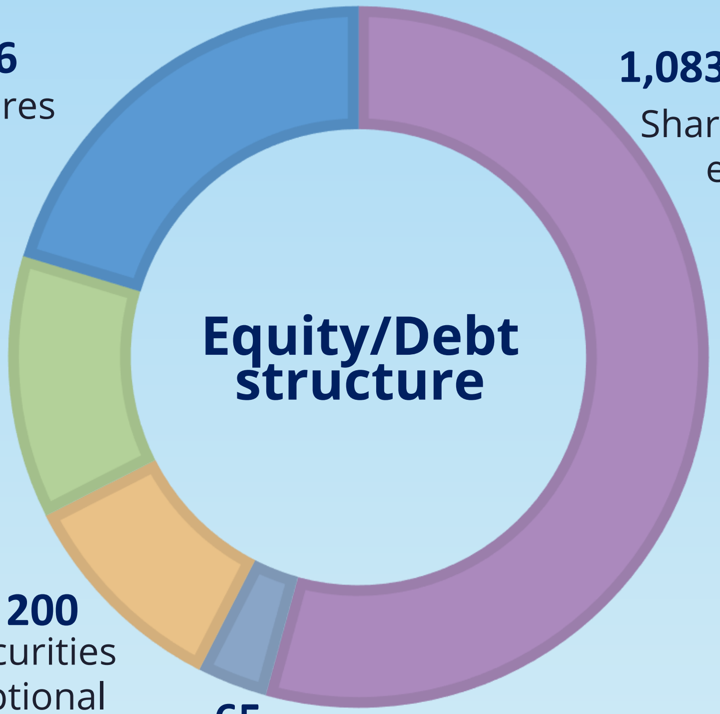
- Cash flow in Q1 of NIS 1.8 million negative cash flow, compared to negative cash flows of NIS 49.5 million in the corresponding quarter
- **Cash flow from operating activity LTM as at March 31, 2024 - NIS 540.4 million compared to LTM as at March 31, 2023 - NIS 365.6 million**

Aa3 credit rating from Midroog (rating confirmed in March 2024)

Cash flows from current operations - LTM



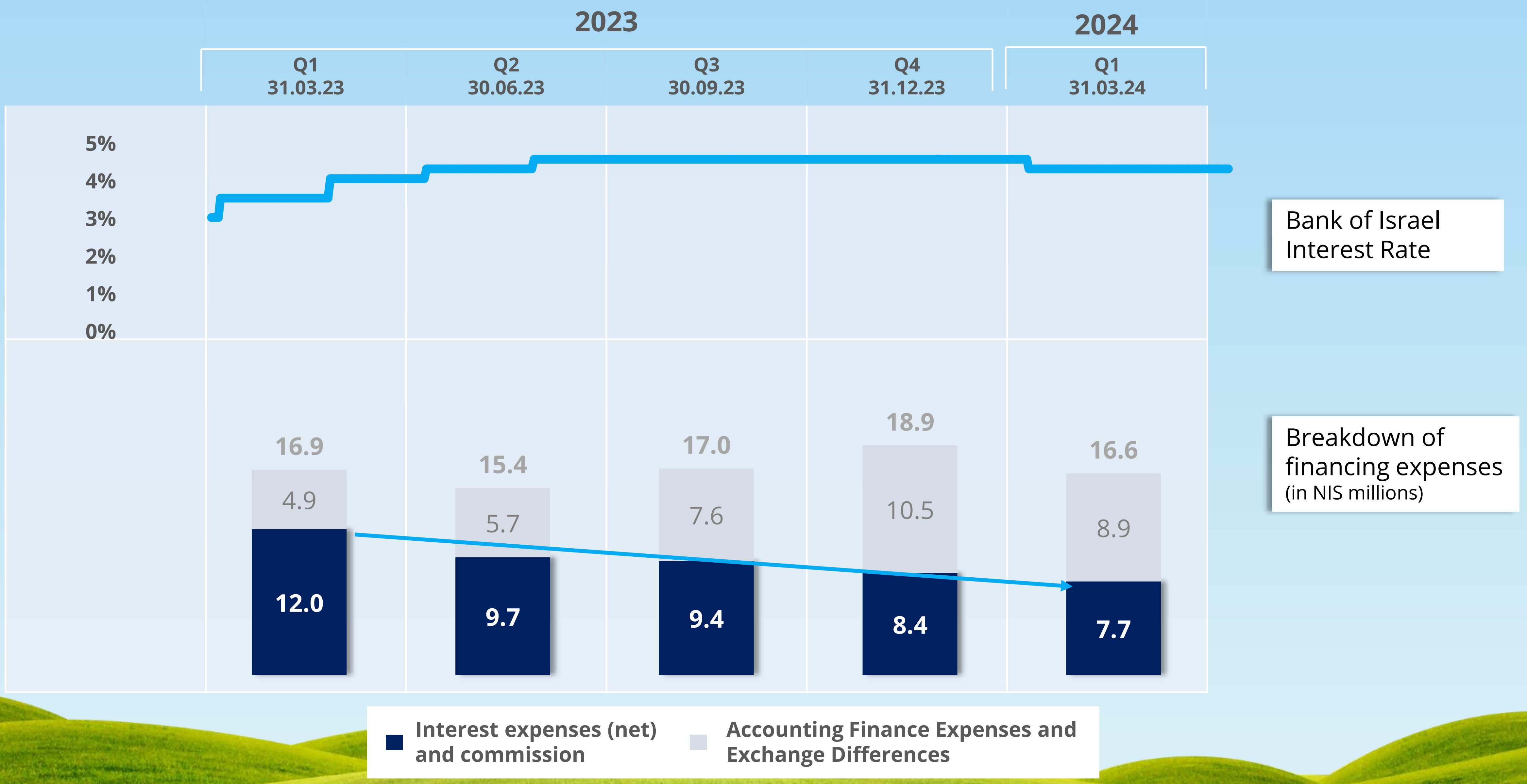
Financial indexes (NIS millions)



	31.03.24	31.12.23
Shareholders' equity	1,083	1,107
% of total balance sheet	26.5%	27.1%
Financial debt, gross	913.7	956.4
Financial debt, net	352.9	316.2
Current ratio	1.1	1.2
Net debt to balance sheet ratio	8.6%	7.7%
Net debt to adjusted EBITDA LTM* ratio	0.75	0.69

*** Earnings before financing, taxes, depreciation and amortization, net of the effect of IFRS 16 - Leases**

Decrease in cash interest expenses for fifth consecutive quarter



Dividends of NIS 51.5 million.
(NIS 0.81 per share)

Technology services, software marketing and distribution, training, hardware and infrastructure, cloud computing, management consulting, civil engineering, call centers, printing outsourcing, smart campuses and multimedia, export of security systems, extensive operations in the US, AI/ML, cyber, digital, data, outsourcing, offshore, nearshore, education and training


Diversification ⟶ Stability ⟶ Growth

Quarter summary and forecasting ahead

- Record results!
- Significant growth of operations, entirely organic
- The largest IT company in Israel, and market leader in the cyber, cloud, digital, and data sectors
- Significant, stable, and growing activity in the US
- Acceleration of future growth rates through M&A in Israel and worldwide

Thank you!