



Investor Meeting

matrix

***Financial Statements as of
March 31, 2026***

DISCLAIMER



This presentation includes forecasts, estimates, and plans of the Company regarding its operations, as well as other information about future events and matters. Such information constitutes forward-looking information as defined in the Israeli Securities Law, 1968. The realization of such information is uncertain and may be affected by factors that cannot be assessed in advance or are beyond the Company's control. Accordingly, the Company cannot guarantee that its forecasts and/or estimates and/or plans will materialize, in whole or in part, or that they will materialize in the manner anticipated. This is due, among other things, to factors beyond the Company's control, changes in market conditions, the competitive and business environment, and the materialization of any of the Company's risk factors.

The presentation includes information from various publications and external sources, as well as macroeconomic facts and results that have not been independently verified by the Company, all as known to the Company at the time of preparing this presentation. For the avoidance of doubt, it is clarified that the Company does not undertake to update or revise the information included in this presentation. This presentation has been prepared for summary and convenience purposes only, and is not intended to replace the review of the Company's public reports, including its financial statements. The information in this presentation is subject to the Company's relevant public filings.

Nothing in this presentation should be regarded as an offer or invitation to acquire the Company's securities. The information in this presentation does not constitute a recommendation or opinion to invest in the Company and does not replace the exercise of independent judgment.

A new era at Matrix: completion of the Magic merger



This is the first report of the merged company, Matrix and Magic.

During the quarter, the merger transaction was completed, and the Company began integrating Magic's business units, aiming to maximize business and operational synergies.

The completion of the merger strengthens the Company's global operations, with a significant increase in the share of profits generated outside Israel.

As of the publication date of the report, Matrix employs about **17,000** people worldwide, of which **3,500** are outside Israel, including **2,500** in the United States.

Operation Roaring Lion



During Operation Roaring Lion, hundreds of the Company's employees in Israel were called up for reserve duty.

As of March 31, 2026, 330 of the Company's employees were serving in active reserve duty.

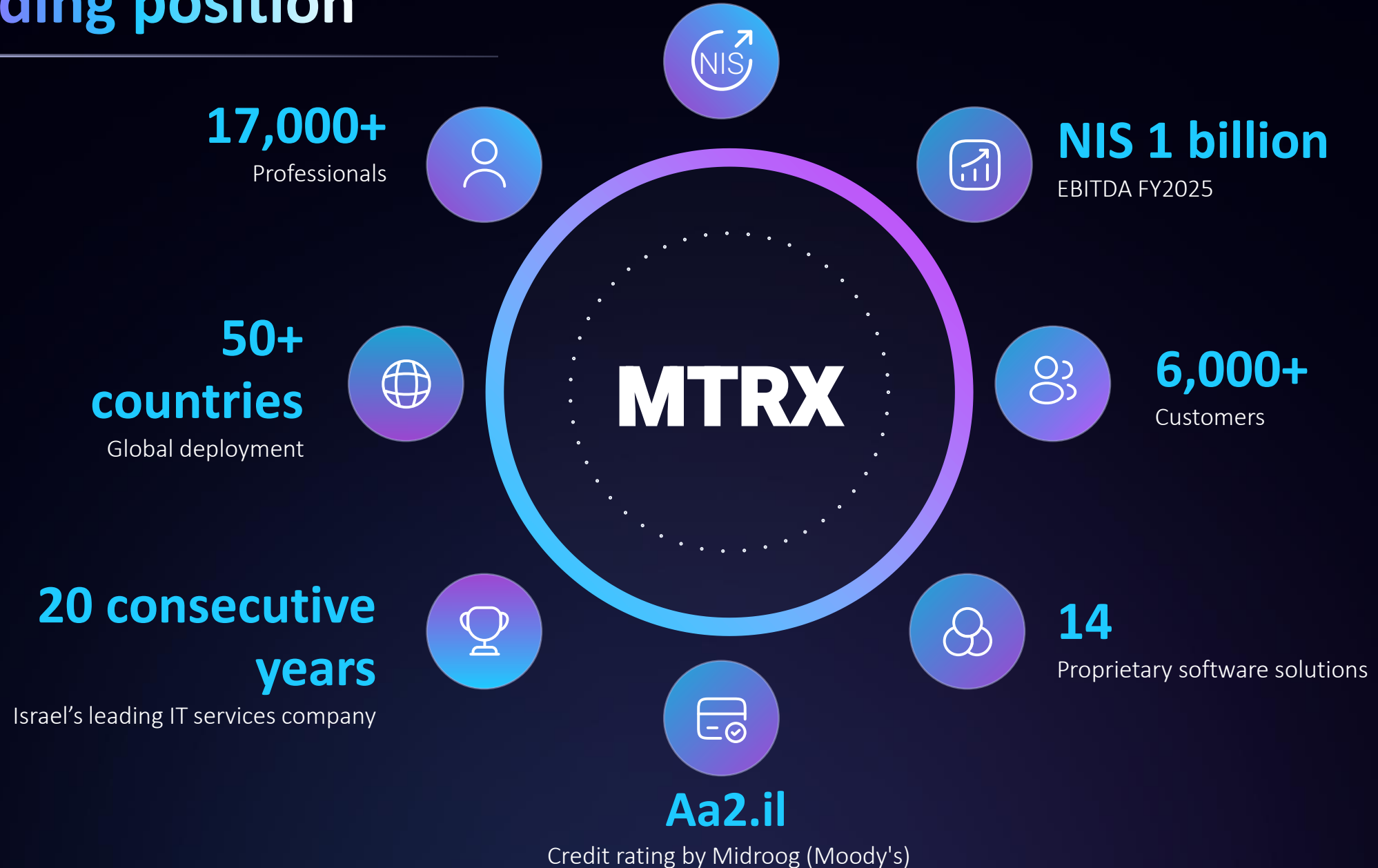
The Company estimates that the war has no material impact on its financial results.



NIS 8.4 billion

FY 2025 revenues

Leading position





Financial Reports

March 31, 2026



Q1
2026

The effect of the completion of the Magic transaction on the financial statements

On February 24, 2026, the merger transaction between Matrix and Magic Software Enterprises Ltd. ("Magic") was completed, and Magic became a wholly owned subsidiary (100%)

- **Retrospective adjustment of comparative results to reflect the Magic merger** – The acquisition of Magic (a business combination under common control) is accounted for using the pooling-of-interests method, according to which comparative results for prior periods were presented as if Magic had been consolidated by the Company since its acquisition by Formula.
- **Update of operating segments** – Upon completion of the Magic transaction, the reported operating segments were updated to three operating segments:
 - IT Solutions, Software Products & Services and Systems Engineering – Israel
 - IT Solutions and Software Products & Services – International
 - Cloud Solutions, IT Infrastructure & Systems – Israel and International

In accordance with accounting principles, comparative results for prior periods of the reported segments were also updated.

- **FX effect** – The acquisition of Magic, whose principal operations are outside Israel, increases the effect of exchange rate fluctuations (mainly the USD) on the Company's results.
 - The results of the merged company are affected by changes in the USD exchange rate, primarily in the IT Solutions and Software Products & Services – International segment, as well as in cloud activities and the sale and marketing of software products, hardware, and IT infrastructure (where most transactions are denominated in USD).
 - To present the Company's business performance on a consistent comparative basis, and in view of the significant depreciation of the USD (13.6% depreciation in the average USD exchange rate in the quarter compared with the corresponding quarter), the Company also presents financial data on a Constant Currency basis – a globally accepted presentation method that eliminates the effect of exchange rate fluctuations.

Effects of NIS appreciation FX on Matrix's revenues and profits



About **20% of Matrix's revenues are generated internationally**, primarily through its U.S. operations.

About **40% of revenues, in Israel and internationally, are linked to the USD exchange rate** (through foreign subsidiaries and sales of software products, infrastructure, and cloud services in Israel).

The 13.6% depreciation in the USD FX compared with the corresponding quarter resulted in a **5.4%** reduction in the Company's overall revenues, with a corresponding erosion in margins profits.

On a Constant Currency basis, revenues in the first quarter grew by 8.9%, operating income by 18%, and net income by 19.4%.

Q1 2026



Revenues **+2.4%** growth to NIS **2.127** billion

Revenue growth on a Constant Currency* basis was **8.9%**

Gross profit **+2.4%** growth to **NIS 382.7** million, at a margin of **18%**



Operating income **+11%** growth to **NIS 203** million, with an improvement in its margin to **9.5%**

Operating income growth on a Constant Currency* basis was **18%**

Net income **+9.2%** growth to NIS **136.8** million, with an improvement in its margin to **6.4%**

Net income growth on a Constant Currency* basis was **19.4%**



Net income attributable to shareholders **+30.5%** growth to **NIS 120.7** million with an improvement in its margin to **5.7%**

EBITDA **+5.6%** growth to NIS **265.7** million, with an improvement in its margin to **12.5%**

(*) The Company also presents, alongside the reported results under IFRS, information on a Constant Currency basis, in order to provide relevant information for evaluating business performance on a consistent comparative basis, excluding the impact of FX fluctuations. For this purpose, the results of the current period are translated into NIS using the exchange rates of the corresponding period, instead of the actual exchange rates in effect during the relevant periods. This applies solely to business units and subsidiaries whose operations are materially exposed to FX rates. In addition, net income results on a Constant Currency basis exclude finance expenses from FX differences, net of tax.

Key P&L Highlights– Q1 2026 compared to the corresponding quarter (NIS millions)

	Q1 2026	Q1 2025	% Growth
Revenues	2,128	2,077	2.4%
Gross profit	383	374	2.4%
R&D expenses	9	12	(21.7%)
SG&A	170	179	(4.9%)
Operating income	203	183	11%
Finance expenses, net	24	21	15.8%
Tax expenses	42	37	16.1%
Net income	137	125	9.2%
Net income attributable to shareholders	121	92	30.5%
EBITDA	266	252	5.6%

Gross profit margin	18%	18%	
R&D expenses margin	0.4%	0.6%	
SG&A margin	8%	8.6%	
Operating income margin	9.5%	8.8%	
EBITDA margin	12.5%	12.1%	
Net income margin	6.4%	6%	



8.9% growth on a Constant Currency basis



18% growth on a Constant Currency basis



19.4% growth on a Constant Currency basis

Q1 2026 summary

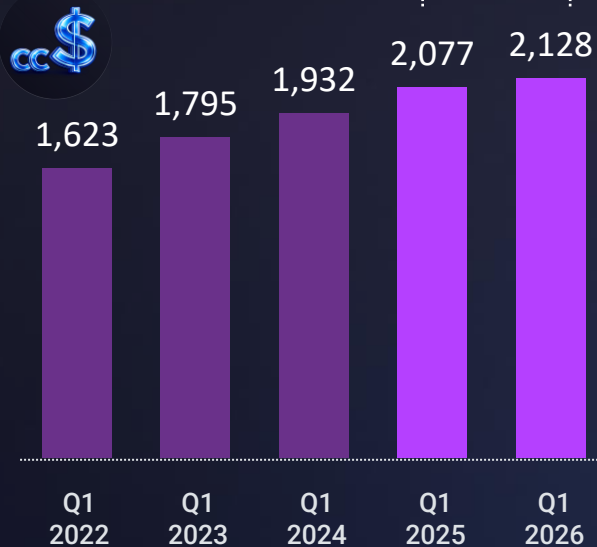


(NIS millions)

Revenues

7% 4YR CAGR

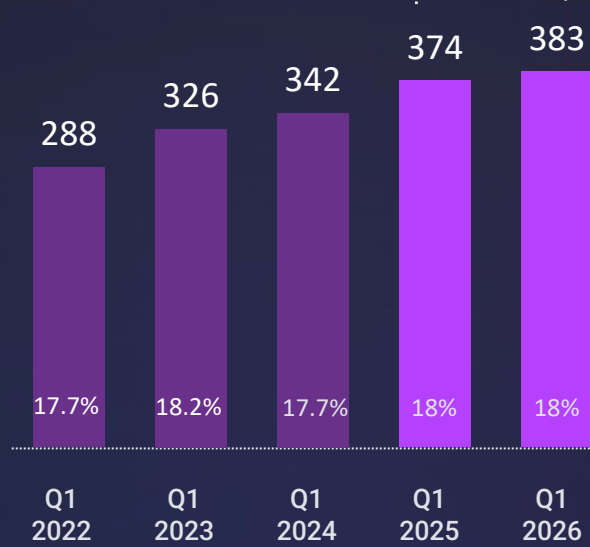
8.9% growth on a Constant Currency basis



Gross profit

7.4% 4YR CAGR

2.4%+

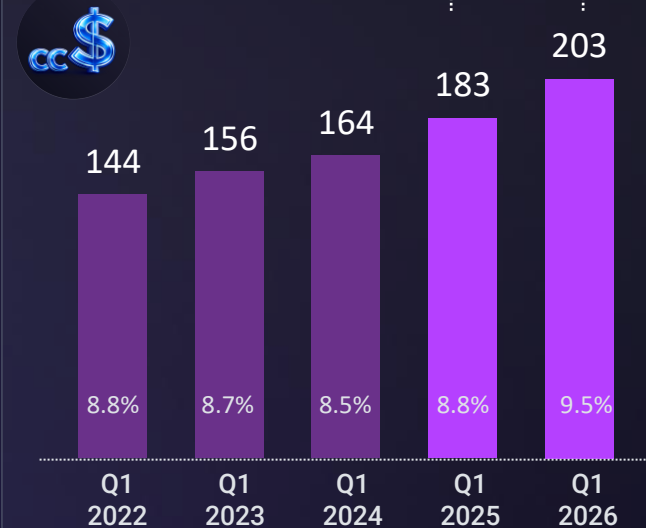


Operating income

9% 4YR; CAGR

18% growth on a Constant Currency basis

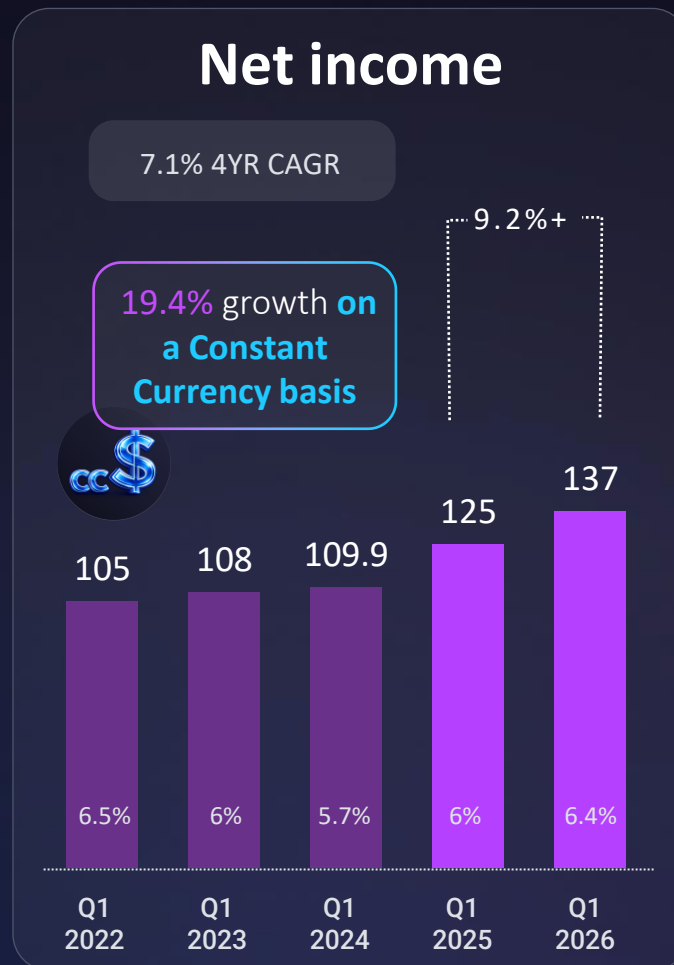
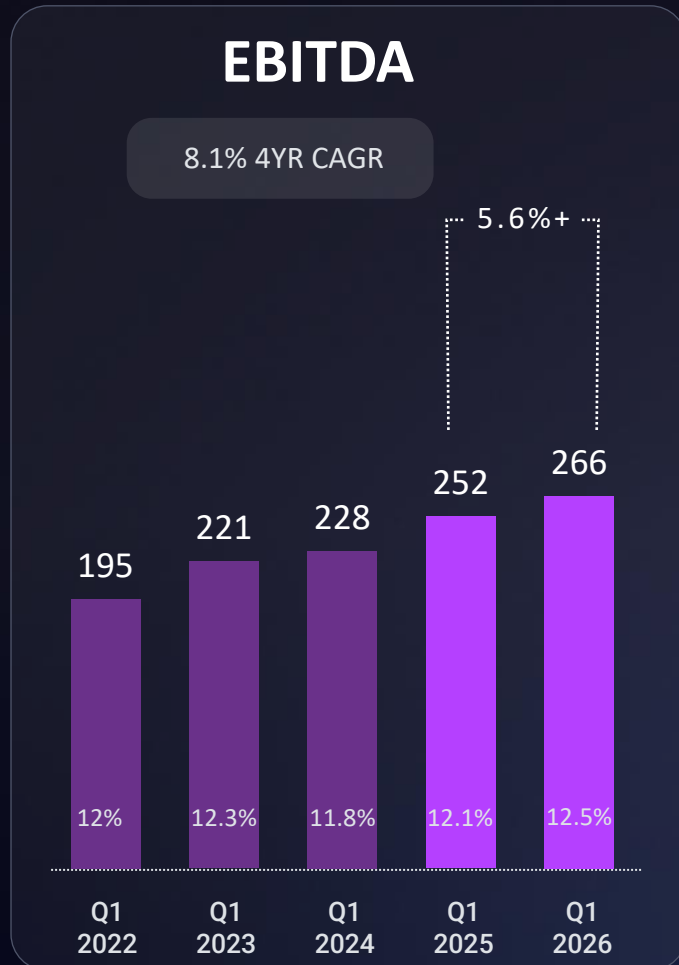
11%+



Q1 2026 summary

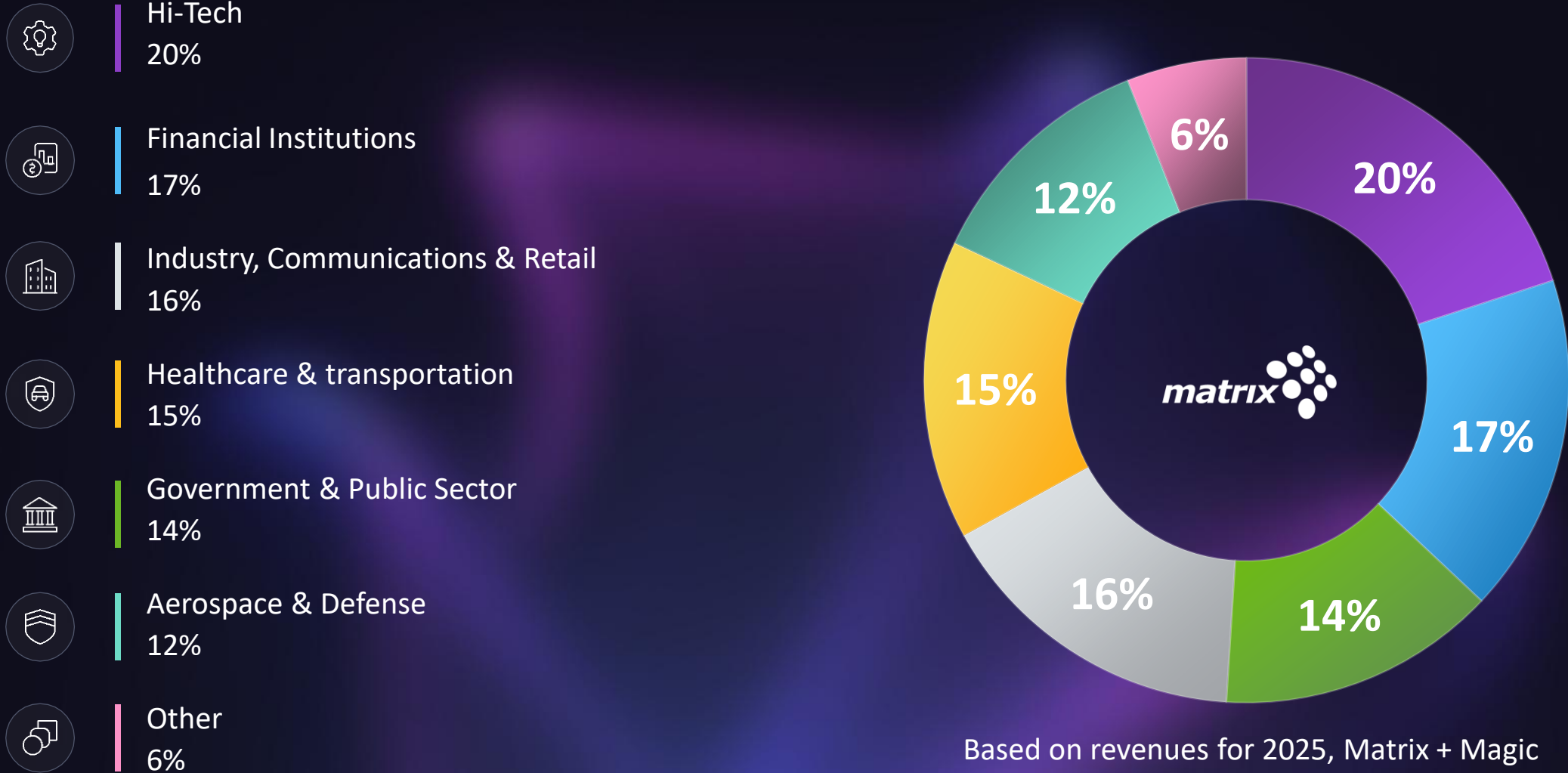


(NIS millions)

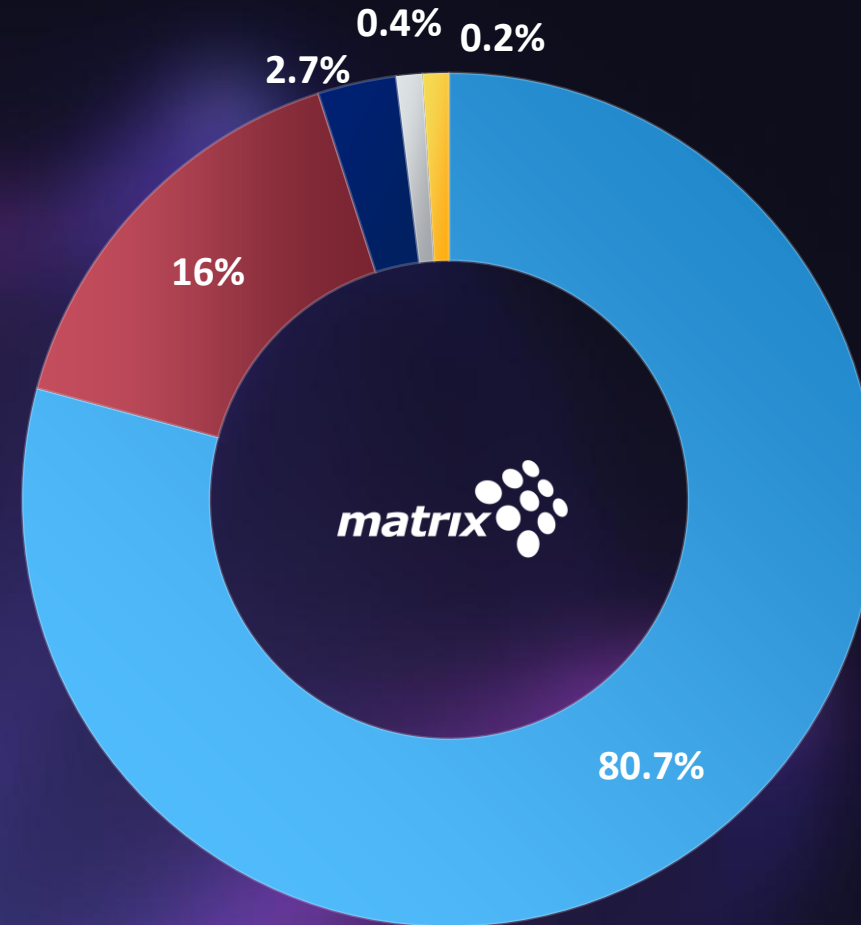
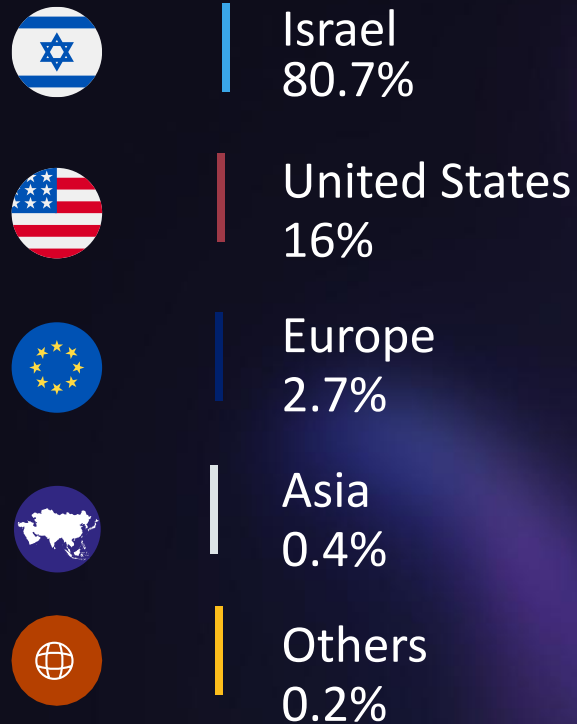


(*) Net income attributable to shareholders – until the acquisition date of Magic, this figure included Magic’s profits based on Formula’s ownership interest in Magic (approximately 46.7%) prior to the transaction. Following the transaction (under which Matrix acquired all of Magic’s shares), the figure includes 100% of Magic’s profits. In order to provide a consistent comparative basis, net income attributable to shareholders was adjusted as if Magic had been fully consolidated (100%) throughout all periods presented.

Revenue breakdown by customer sectors



Revenue breakdown by geographic region





Analysis of Operating Segment Results Q1 2026



New operating segments

IT Solutions, Software Products & Services, and Systems Engineering – Israel

IT solutions and services in Israel

Software product sales and marketing in Israel

Defense

Engineering

Call center and BPO services

IT Solutions and Software Products & Services – International

GRC solutions
(Governance, Risk & Compliance)
for financial institutions

International IT solutions and services

International software product sales and marketing

Magic's core business

Cloud Solutions, IT Infrastructure & Systems – Israel and International

Sale and marketing of hardware and infrastructure

Global cloud operations

Sale and marketing of advanced technological solutions

IT Solutions, Software Products & Services, and Systems Engineering – Israel



Revenues (NIS thousands)

Operating income (NIS thousands)

	<u>Q1 2026</u>	<u>Q1 2025</u>	<u>%</u>	<u>Q1 2026</u>	<u>Q1 2025</u>	<u>%</u>
Reporting results	1,303,523	1,261,439	3.3%	126,613	105,180	20.4%
Profit margin (%)				9.7%	8.3%	

The results of Software product sales were adversely affected by the depreciation of the USD

Constant Currency basis results	1,320,694	1,261,439	4.7%	128,773	105,180	22.4%
Profit margin (%)				9.7%	8.3%	



The increase in revenues and operating income in the quarter is mainly due to an increase in the volume of activity in data + AI, cyber, defense, core systems, and software product sales.

The increase in profitability is mainly due to changes in the transaction mix and the continued implementation of the Company's operational efficiency measures, which are reflected mainly in this operating segment.

Cloud Solutions, IT Infrastructure & Systems – Israel and International



Revenues (NIS thousands)

Operating income (NIS thousands)

	<u>Q1 2026</u>	<u>Q1 2025</u>	<u>%</u>	<u>Q1 2026</u>	<u>Q1 2025</u>	<u>%</u>
Reporting results	529,993	495,596	6.9%	42,737	46,254	(7.6%)
Profit margin (%)				8.1%	9.3%	

Segment results were adversely affected by the depreciation of the USD

Constant Currency basis results	593,866	495,596	19.8%	47,325	46,254	2.3%
Profit margin (%)				8.1%	9.3%	



The change in the transactions mix led to an increase in revenues, but to a decline in the operating income margin, primarily due to a decrease in revenue and operating income from the marketing, implementation, and support of advanced technology solutions (mainly in the subsidiaries RDT and Ortec), which are characterized by higher profit margins.

IT Solutions and Software Products & Services – International



Revenues (NIS thousands)

Operating income (NIS thousands)

	<u>Q1 2026</u>	<u>Q1 2025</u>	<u>%</u>	<u>Q1 2026</u>	<u>Q1 2025</u>	<u>%</u>
Reporting results	344,662	350,127	(1.6%)	37,812	34,957	8.2%
Profit margin (%)				11%	10%	

Segment results were adversely affected by the depreciation of the USD

Constant Currency basis results	398,924	350,127	13.9%	43,765	34,957	25.2%
Profit margin (%)				11%	10%	



The impressive growth in revenues and operating income, as well as in operating profitability, was due to growth in the segment's activity, driven by the GRC activity for financial institutions, Data & AI activities, and services in the United States.

Finance expenses



Finance expenses, net (NIS thousands)

	Q1 2026	Q1 2025	Change
Interest, commissions, and other (net)	8,636	9,783	(1,147)
FX differences	4,051	(259)	4,310
Accounting finance expenses	11,092	11,002	90
Total finance expenses (net)	23,779	20,526	3,253

The increase in finance expenses is entirely due to higher FX differences, partially offset by a decrease in net interest expenses



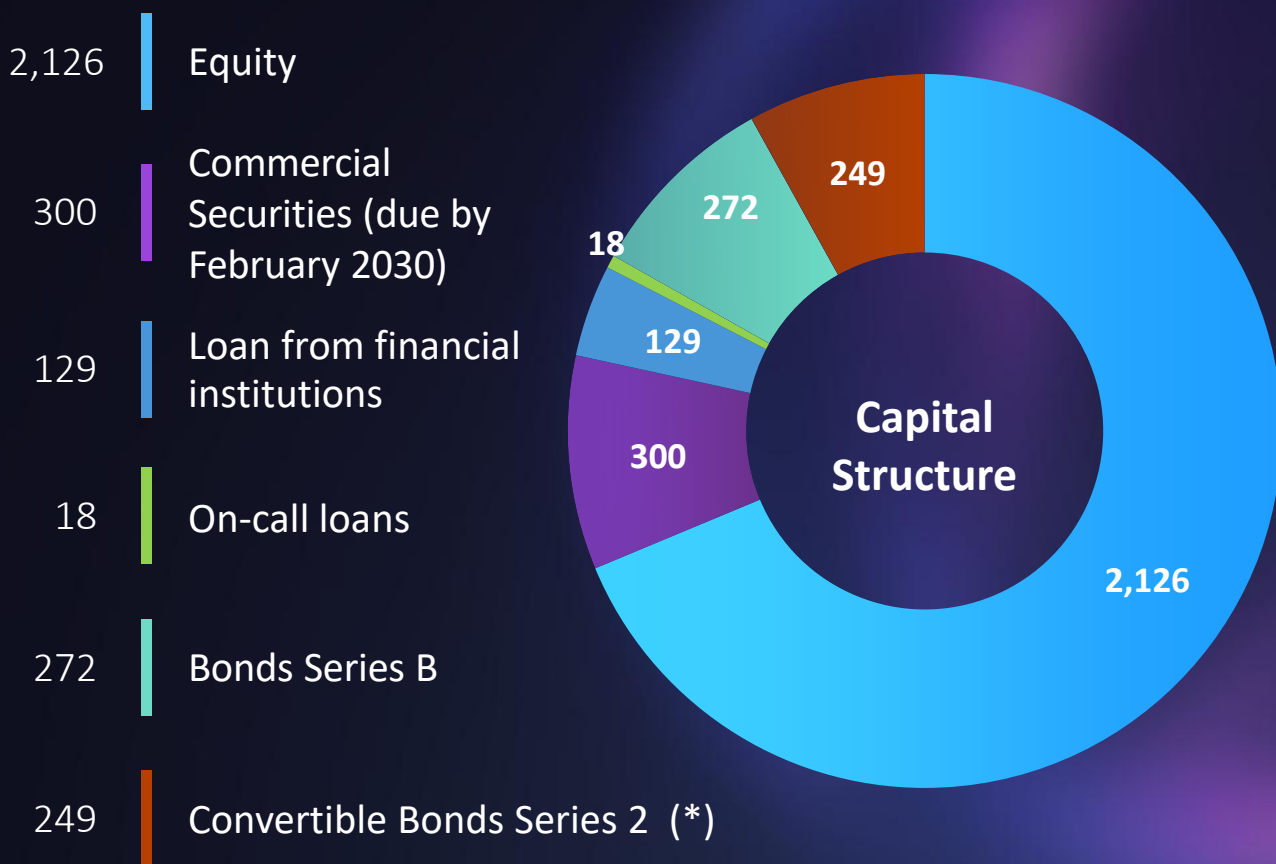
Financial Indexes



Financial indexes



(NIS millions)



	March 31, 2026	December 31, 2025
Equity	2,126	2,107
% of total balance sheet	33.1%	33.3%
Gross financial debt	968	981
Net financial debt (net cash)	(43)	(226)
Current ratio	1.2	1.2
Financial net debt (%) (net cash) to balance sheet ratio	(0.7%)	(3.6%)
Financial net debt (net cash) to LTM EBITDA ratio	(0.04)	(0.23)

(*) On February 4, 2026, the Company issued Series 2 convertible bonds (for a period of 5 years, at an annual interest rate of 0.5%) in an amount of approximately NIS 300 million. The liability for the convertible bonds is measured using the effective interest method. Most of the proceeds from the issuance were used to repay higher-cost financial debt at Magic.

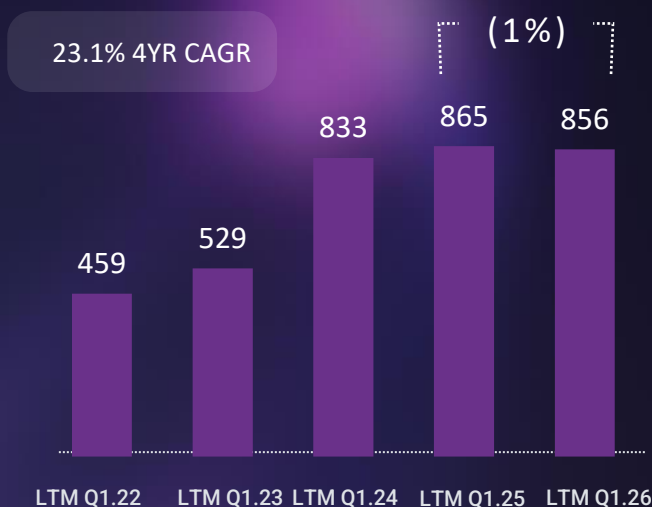
Financial indexes



(NIS millions)

	March 31, 2026	December 31, 2025
Cash and cash equivalents	1,011	1,207
Unutilized credit facilities (*)	1,238	1,235
Total liquid assets	2,249	2,442

Cash flows from operating activities



Aa2.il credit rating (stable outlook)
following the credit rating upgrade
by Midroog in March 2026

- Positive LTM cash flow: NIS 856.5 million, similar to the corresponding period
- Negative cash flow in Q1.26: NIS 123.1 million, compared to a positive cash flow of NIS 68.4 million in the corresponding quarter. The decrease in the quarter is mainly due to changes in working capital (mainly due to a trade receivables factoring transaction in the fourth quarter of 2025 in the amount of NIS 260 million).

Dividend



Matrix maintains its regular dividend policy:

Distribution of up to 75% of profits to the Company's shareholders

Dividend for Q1 2026

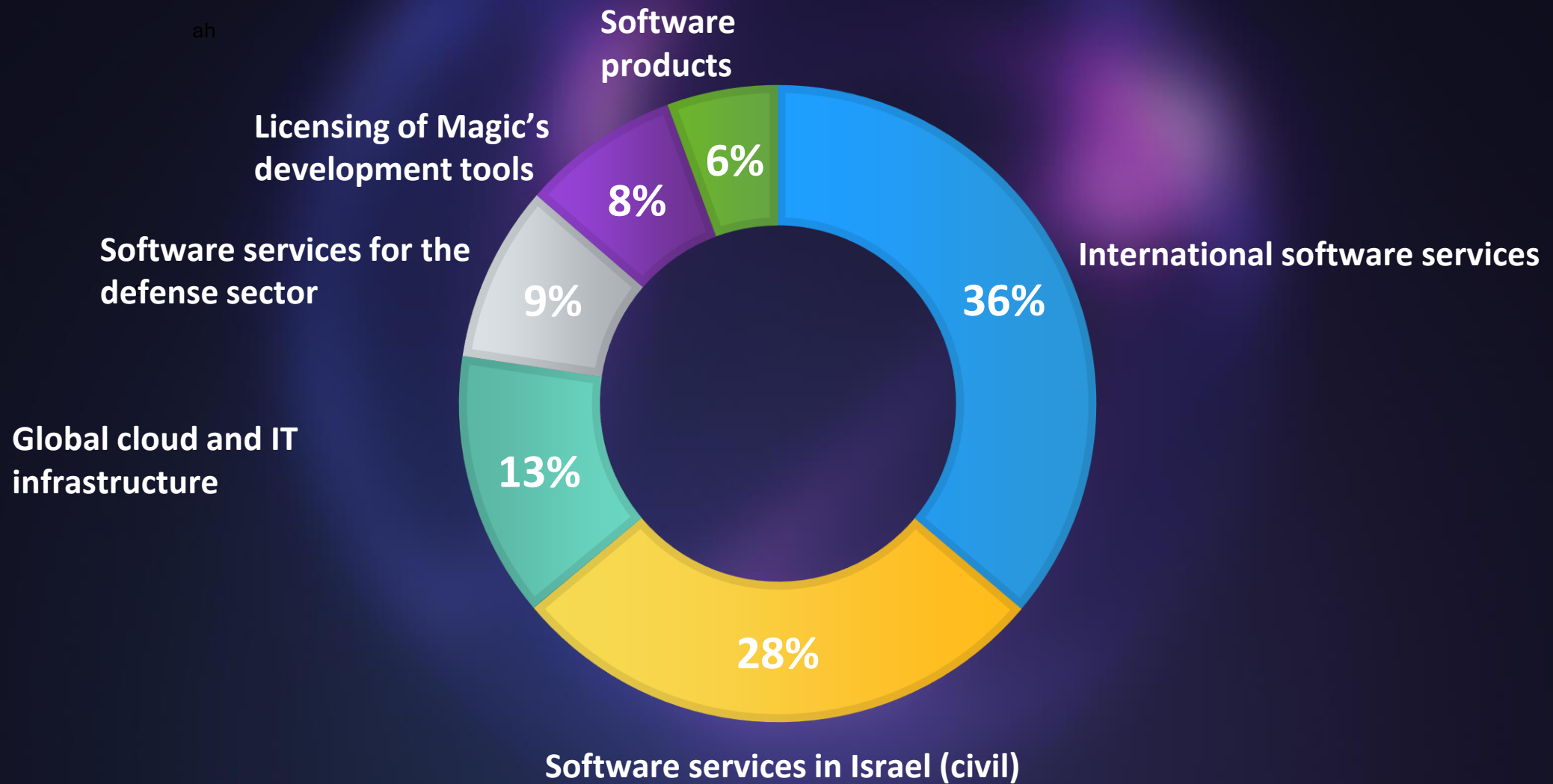
89.76

NIS million

0.97 NIS per
share

Matrix
Forward >>>

Strong synergy with Magic – revenue breakdown by business sector



Impact of NIS appreciation on our offshore operations



Matrix operates development centers in Eastern Europe, Asia, and Africa, employing more than 1,500 professionals.

The appreciation of the NIS encourages companies (including Matrix) to shift development resources to other countries, thereby reducing erosion in export profitability.

Front / back end – experienced developers (five years of experience)

Eastern Europe: USD 3,000-8,000 (NIS 24,000)

India: USD 4,000 (NIS 12,000)

Africa: USD 3,000-5,000 (NIS 15,000)

Israel: USD 13,000 and more (NIS 39,000)

Matrix is among Israel's leading defense companies



With **revenues exceeding NIS 1 billion** and more than **1,800 professionals**, including two recipients of the Israel Defense Award.

In the defense sector, Matrix continues to achieve sustained double-digit growth, driven by deep technological expertise in cyber and AI, as well as strong demand for unique techno-operational solutions and systems engineering projects.

The subsidiary **Commit** (80% ownership), which joined as part of the Magic transaction, is experiencing equally impressive growth, and further strengthens our defense division through complementary capabilities in communications, ICT, C2, and real-time embedded systems, serving as a significant **force multiplier**.

We intend to **accelerate** the pace of acquisitions in the defense sector, where we see significant growth potential.

Matrix 2026 – positioned as a significant global cloud player



With global annual sales of cloud infrastructure and services exceeding USD 400 million(*), Matrix is positioned as a significant global partner of leading cloud companies – a position that opens new growth opportunities that were not previously available to us.

The accelerated adoption of AI is further enhancing growth, driven by the increasing need for greater computing power and rapidly expanding volumes of data.

Matrix's operations in Europe and the United States are benefiting from the accelerated growth of cloud activity.

(*) Presentation on a gross basis



משרד העבודה הרווחה
והשירותים החברתיים



משרד המדע
והטכנולוגיה

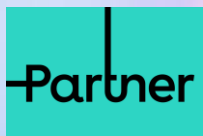
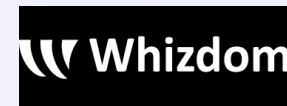


קבוצת לובינסקי

צ'מפיון מוטורס



Strong growth in Data + AI
business



Creating a centralized cloud Data Lake and deploying a unified, Databricks-based analytics and AI platform, connected to tens of thousands of customers and thousands of transport assets across 100+ countries.

"I highly recommend Matrix for their outstanding work in building a modern data + AI platform."



Dany Krivoshey

Chief Digital & Technology Officer,
Unilever International



Unilever
International

**Global data
transformation
AI-ready infrastructure**



**Establishment of a GenAI
system to replace manual
effort and existing
automations**

Establishment of an AI-agent system that supports a comprehensive AI strategy
For example:

Fuel AI agent – supports fuel procurement during tender renewals or refueling operations (by rapidly analyzing incoming price quotations, supplier terms, and quality parameters from multiple vendors within short timeframes).

Cyber agent – supports ZIM's cyber readiness and incident response capabilities. Terminal Agent, Logistical Naval Operations Agent, and more.

Gilbane – Providence, USA



Data + AI strategy

A Databricks-based data modernization strategy that transformed distributed data sources into a reliable Single Source of Truth. This infrastructure created full AI readiness, enabling the organization to deploy Generative AI capabilities and predictive analytics for real-time business decision-making.

Development and implementation of an intelligent AI system based on Computer Vision models and statistical Anomaly Detection for the automatic identification of cheating in matriculation exams, in-depth diagnostic and learning content analysis, and advanced analytics for Marbad (The National Institute for Testing and Evaluation) and Milgam.



Advanced AI language and cataloging systems



Development of advanced GenAI solutions to optimize revenue assurance control processes

Implementation of automated, high-accuracy extraction and comparison of information across medical documents using GenAI technologies. The solution identifies valid charges that do not require manual review, significantly reducing time and operational costs. In addition, it detects irregular or invalid charges and provides clear, well-reasoned explanations, helping prevent revenue loss and enabling rapid resolution of billing errors. Furthermore, **the system identifies appeal potential in documents that were not manually reviewed, recovering revenues that would otherwise have been lost.**



Thank you

Questions...

