



**THE FOUNDATION  
FOR SECURE  
MARKETS®**

#58408

**Date:** February 20, 2026

**Subject:** Magic Software Enterprises Ltd. - Anticipated Adjustment  
Option Symbol: MGIC  
New Symbol: MGIC1  
Date: ???

On December 10, 2025, Shareholders of Magic Software Enterprises Ltd. (MGIC) approved the proposed merger with Matrix IT Ltd. If and when the merger is consummated, each existing MGIC Common Share will be converted into the right to receive a number of Matrix IT Ltd Ordinary Shares based on the Exchange Ratio, calculated as described in the MGIC Proxy Statement dated November 3, 2025 ("Proxy"). Fractional shares will be rounded to the nearest whole share.

On February 18, 2026, MGIC announced that the Exchange Ratio is expected to be 0.5878202 Matrix IT Ltd. Ordinary Shares per MGIC Ordinary Share held.

#### **Possible Settlement Procedures**

The Matrix IT Ltd Ordinary Shares trade on the Tel Aviv Stock Exchange and are not expected to be listed on any U.S Securities Exchange. It is uncertain at this time if an OTC or OTCBB (Bulletin Board) market will develop. In an event the shares are listed on a U.S. exchange or an OTC or OTCBB (Bulletin Board) market develops, MGIC1 option exercise and assignment activity will settle in the normal fashion through NSCC. However, if a market does not develop or NSCC does not accept transactions in Matrix IT Ltd. Ordinary Shares, OCC anticipates requiring broker to broker settlement for MGIC1 options. Pursuant to customary OCC broker to broker settlement procedures, inability to effect delivery may subsequently occasion cash settlement as determined by OCC.

On February 20, 2026, DTC indicated in the MGIC/Matrix merger event that it was working with the issuer to make the CUSIP issued to MGIC holders in the merger transaction DTC-eligible. If the CUSIP becomes DTC-eligible, OCC anticipates requiring broker to broker settlement for MGIC1 options. DTC indicated that if it was not able to make the CUSIP eligible, that it would exit the entitlement through a contra CUSIP. If this occurs, OCC may determine a USD cash equivalent for the Matrix IT Ltd. Ordinary Shares included in the MGIC1 option deliverable.

#### **Contract Adjustment**

**Date:** Effective the opening of the business day after the merger is consummated.

Contract adjustment is anticipated to become effective before the market open on February 24, 2026.

**Option Symbol:** MGIC changes to MGIC1

**Strike Divisor:** 1

**Contracts Multiplier:** 1

**New Multiplier:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 20 yields \$2,000.00)

**New Deliverable Per Contract:** 100 x a number of Matrix IT Ltd Ordinary Shares equal to the Exchange Ratio, calculated as described in the MGIC Proxy

It is expected that this will be 59 Matrix IT Ltd. Ordinary Shares (based on the announced expected Exchange Ratio of 0.5878202 rounded to the nearest whole share)

Note: Matrix IT Ltd Ordinary Shares are not listed on any U.S. Securities Exchange. Upon consummation of the merger, if a market in the Ordinary Shares does not develop in the U.S. or if the NSCC does not accept settlement of the Ordinary Shares, OCC **may** determine a USD cash equivalent for the Ordinary Shares received by MGIC shareholders.

**CUSIP:** Matrix IT Ltd: TBD

### **Delayed Settlement**

OCC will delay settlement of the MGIC1 deliverable until the DTC eligibility of the merger consideration can be determined. Upon determination of the eligibility, OCC will require Put exercisers and Call assignees to deliver the appropriate number of Matrix shares, if any, or the USD cash equivalent, as necessary.

### **Disclaimer**

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and futures and the nature of any adjustment is made by OCC pursuant to Chapter 28 (XXVIII) of OCC's Rules. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, please email the Investor Education team at [options@theocc.com](mailto:options@theocc.com).

Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theocc.com](mailto:memberservices@theocc.com).