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REPORTS 3RD Q RESULTS Â Â UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C.
20549 Â FORM 6-K Â REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934 Â For the month of November 2024 Â Commission File Number 0-19415 Â
MAGIC SOFTWARE ENTERPRISES LTD. (Translation of Registrant's name into English) Â Terminal Center, 1
Yahadut Canada Street, Or-Yehuda, Israel 6037501 (Address of Principal Executive Office) Â Indicate by check mark
whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Â Form 20-F
â~Â Â Â Â Â Â Â Â Â Â Â Form 40-F â~ Â Â Â Â Â CONTENTS Â Quarterly Results of Operations Â On November
18, 2024, Magic Software Enterprises Ltd. (the "Company", "we" or "us") announced our financial results
for the third quarter and nine months ended September 30, 2024. A copy of our press release announcing our results
is furnished as Exhibit 99.1 to this Report of Foreign Private Issuer on Form 6-K (this "Form 6-K") and is
incorporated herein by reference. Â The GAAP financial statements appended to this Form 6-K in Exhibit 99.1 are
hereby incorporated by reference in our Registration Statements on Form S-8 (SEC File No.'s 333-113552, 333-
132221 and 333-149553). Â Exhibit No. Â Title of Exhibit 99.1 Â Magic Software Reports Third Quarter 2024
Financial Results Â 1 Â SIGNATURES Â Pursuant to the requirements of the Securities Exchange Act of 1934, the
registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. Â Â
MAGIC SOFTWARE ENTERPRISES LTD. Â Â By: /s/ Asaf Berenstin Â Name: Asaf Berenstin Â Title: Chief
Financial Officer Â Dated: November 18, 2024 Â 2 Â EX-99.1 CHARTER 2 ea022158601ex99-1_magic.htm MAGIC
REPORTS 3RD Q RESULTS Exhibit 99.1 Â PRESS RELEASE Â Magic Software Reports Third Quarter and First Nine
Months Period Ended September 30, 2024 Financial Results Â Or Yehuda, Israel, November 18, 2024 " Magic
Software Enterprises Ltd. (NASDAQ and TASE: MGIC) (the Company), a global provider of IT consulting
services and end-to-end integration and application development platforms solutions, announced today its financial
results for the third quarter and first nine months period ended September 30, 2024. Â Summary Results for the Third
Quarter 2024 (USD in millions, except per share data) Â Â GAAP Â Â Non-GAAP Â Â Q3 2024 Â Q3
2023 Â % Change Â Q3 2024 Â Q3 2023 Â % Change Revenues \$143.0 Â \$129.5 Â 10.4%
\$143.0 Â \$129.5 Â 10.4% Gross profit \$39.7 Â \$36.8 Â 7.7% \$41.0 Â \$38.1 Â 7.8% Gross
margin Â 27.8% Â 28.4% Â (60) bps Â 28.7% Â 29.4% Â (70) bps Operating income \$15.1 Â
\$13.3 Â 13.1% \$18.5 Â \$17.2 Â 7.2% Operating margin Â 10.5% Â 10.3% Â 20 bps Â 12.9%
Â 13.3% Â (40) bps Net income (*) Â \$8.4 Â \$7.1 Â 18.0% Â \$11.1 Â \$10.4 Â 6.9% Diluted EPSÂ
\$0.17 Â \$0.15 Â 13.3% \$0.23 Â \$0.21 Â 9.5% Â (*)Attributable to Magic Software's shareholders. Â
Financial Highlights for the Third Quarter Ended September 30, 2024 Â Â — Revenues for the third quarter of 2024
increased by 10.4% to \$143.0 million, compared to \$129.5 million in the same period of the previous year. Compared
to the fourth quarter of 2023, the first and the second quarters of 2024, revenues for the third quarter increased by
13.9%, 9.4%, and 4.9%, respectively. Â Â — Operating income for the third quarter of 2024 increased by 13.1% to
\$15.1 million, compared to \$13.3 million in the same period of the previous year. Â Â — Non-GAAP operating
income for the third quarter of 2024 increased by 7.2% to \$18.5 million, compared to \$17.2 million in the same period
of the previous year. Â Â — Net income attributable to Magic Software's shareholders for the third quarter of
2024 increased by 18% to \$8.4 million, or \$0.17 per fully diluted share, compared to \$7.1 million, or \$0.15 per fully
diluted share, in the same period of the previous year. Â Â — Non-GAAP net income attributable to Magic
Software's shareholders for the third quarter of 2024 increased by 6.9% to \$11.1 million, or \$0.23 per fully diluted
share, compared to \$10.4 million, or \$0.21 per fully diluted share, in the same period of the previous year. Â Â
Summary Results for the First Nine-Months Period Ended September 30, 2024 (USD in millions, except per share data)
Â Â GAAP Â Â Non-GAAP Â Â Nine months ended September 30, Â Nine months ended
September 30, Â 2024 Â 2023 Â % Change Â 2024 Â 2023 Â % Change Revenues \$409.9 Â
\$409.5 Â 0.1% \$409.9 Â \$409.5 Â 0.1% Gross Profit \$115.2 Â \$116.0 Â (0.7)% \$119.4 Â
\$119.8 Â (0.3)% Gross Margin Â 28.1% Â 28.3% Â (20) bps Â 29.1% Â 29.3% Â (20) bps Operating
Income \$44.5 Â \$44.1 Â 0.9% \$54.8 Â \$54.1 Â 1.3% Operating Margin Â 10.9% Â 10.8% Â 10
bps Â 13.4% Â 13.2% Â 20 bps Net Income (*) Â \$26.3 Â \$28.5 Â (8.0)% \$34.1 Â \$36.8 Â (7.3)%
Diluted EPS Â \$0.53 Â \$0.58 Â (8.6)% \$0.69 Â \$0.75 Â (7.4)% Â (*)Attributable to Magic Software's
shareholders. Â Financial Highlights for the First Nine-Months Period Ended September 30, 2024 Â Â — Revenues
for the first nine months of 2024 increased by 0.1% to \$409.9 million compared to \$409.5 million in the same period of
the previous year. As described in the pre-announcement of our third quarter results on November 8, 2023, in the third
quarter of 2023, we experienced a substantial and unexpected decline in demand for our professional services from
several of our important U.S.-based blue-chip customers which, without any advance notification, decided to
immediately suspend significant parts of their active time-and-materials-based projects. This reduced demand had a
negative impact on our revenues for the first nine-months ended September 30, 2024 compared to the same period of
the previous year of approximately \$44.3 million. Â Â — Operating income for the first nine months of 2024
increased by 0.9% to \$44.5 million compared to \$44.1 million in the same period of the previous year. Â Â — Non-
GAAP operating income for the first nine months of 2024 increased by 1.3% to \$54.8 million compared to \$54.1 million
in the same period of the previous year. Â Â — Net income attributable to Magic Software's shareholders for
the first nine months of 2024 decreased by 8.0% to \$26.3 million, or \$0.53 per fully diluted share, compared to
\$28.5 million, or \$0.58 per fully diluted share, in the same period last year. The decrease in net income attributable to
Magic Software's shareholders was primarily attributable to the increase in interest expenses resulting from the
increase in our overall financial debt position and negative impact of foreign currency exchange rates fluctuation
recorded with respect to monetary assets and liabilities denominated in foreign currency. Â Â — Non-GAAP net
income attributable to Magic Software's shareholders for the first nine months of 2024 decreased by 7.3% to \$34.1
million, or \$0.69 per fully diluted share, compared to \$36.8 million, or \$0.75 per fully diluted share, in the same period
last year. The decrease in non-GAAP net income attributable to Magic Software's shareholders was primarily
attributable to the increase in interest expenses resulting from the increase in our overall financial debt position and
negative impact of foreign currency exchange rates fluctuation recorded with respect to monetary assets and liabilities
denominated in foreign currency. Â Â — Cash flow from operating activities for the first nine months of 2024

amounted to \$49.1 million compared to \$65.5 million in the same period last year. As of September 30, 2024, Magic's cash, cash equivalents and short and long-term bank deposits amounted to \$99.7 million. We are revising our annual revenue guidance for 2024 increasing the lower range of our revenue guidance from \$540 million to \$544 million reflecting our continued solid momentum for the remaining part of the year and positive outlook. Our full year revenues guidance for 2024 is \$544 million to \$550 million. A Declaration of Dividend for the First Half of 2024 — In accordance with its dividend distribution policy, the Company's board of directors declared a semi-annual cash dividend in an amount of 23.6 cents per share and in an aggregate amount of approximately \$11.6 million, reflecting approximately 65% of its distributable profits for the first half of 2024. The dividend is payable on January 8, 2025, to all of the Company's shareholders of record at the close of trading on the NASDAQ Global Select Market on December 23, 2024. In accordance with Israeli tax law, the dividend is subject to withholding tax at source at the rate of 30% (if the recipient of the dividend is at the time of distribution or was at any time during the preceding 12-month period the holder of 10% or more of the Company's share capital) or 25% (for all other dividend recipients) of the dividend amount payable to each shareholder of record, subject to applicable exemptions. The dividend will be paid in US dollars on the ordinary shares of Magic Software Enterprises that are traded both on the Tel Aviv Stock Exchange and the NASDAQ Global Select Market. Guy Bernstein, Chief Executive Officer of Magic Software, said: "We are pleased to report another strong quarter of growth and resilience, with a 10.4% year-over-year increase in revenues, reaching \$143 million. This performance reflects the continued success of our strategic focus on delivering value to our customers through innovative digital and cloud transformation solutions. While we are navigating a dynamic macroeconomic environment, our diversified portfolio and strong client relationships have enabled us to achieve consistent growth and improve operational efficiency. Looking ahead, we are confident in our ability to continue building on this momentum as we further invest in our business and enhance our capabilities to meet the evolving needs of our customers worldwide." Conference Call Details — Magic Software's management will host a conference call on Monday, November 18, 2024, at 09:30 am Eastern Daylight Time (16:30 Israel Daylight Time) to review and discuss Magic Software's results. To participate, please call one of the following teleconferencing numbers. Please begin placing your calls at least 5 minutes before the conference call commences. If you are unable to connect using the toll-free numbers, call the international dial-in number. NORTH AMERICA: +1-866-652-8972 UK: 0-800-917-9141 ISRAEL: 03-918-0650 ALL OTHERS: +972-3-918-0650 For those unable to join the live call, a replay of the call will be available in the Investor Relations section of Magic Software's website, www.magicsoftware.com. 3 Non-GAAP Financial Measures — This press release contains the following non-GAAP financial measures: non-GAAP gross profit, non-GAAP operating income, non-GAAP net income attributable to Magic Software's shareholders and non-GAAP basic and diluted earnings per share. Magic Software believes that these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Magic Software's financial condition and results of operations. Magic Software's management uses these non-GAAP measures to compare the Company's performance to that of prior periods for trend analyses, for purposes of determining executive and senior management incentive compensation and for budgeting and planning purposes. These measures are used in financial reports prepared for management and in quarterly financial reports presented to the Company's board of directors. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing the Company's financial measures with other software companies, many of which present similar non-GAAP financial measures to investors. Management of the Company does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in the Company's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, management presents non-GAAP financial measures together with GAAP results. Magic Software urges investors to review the reconciliation of its non-GAAP financial measures to the comparable GAAP financial measures, which it includes in press releases announcing quarterly financial results, including this press release, and not to rely on any single financial measure to evaluate the Company's business. 4 Non-GAAP measures used in this press release are included in the financial tables of this release. These non-GAAP measures exclude the following items: —Amortization of purchased intangible assets and other related costs; —In-process research and development capitalization and amortization; —Cost of share-based payment; —Costs related to acquisition of new businesses; —The related tax, non-controlling interests' effects of the above items; —Change in valuation of contingent consideration related to acquisitions; —Change in deferred tax assets on carry forward tax losses. Reconciliation of the most comparable GAAP financial measures to the non-GAAP financial measures used in this press release are included in the financial tables of this release. 4 About Magic Software Enterprises — Magic Software Enterprises Ltd. (NASDAQ and TASE: MGIC) is a global provider of end-to-end integration and application development platforms solutions and IT consulting services. For more information, visit www.magicsoftware.com. Forward Looking Statements — Some of the statements in this press release may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities and Exchange Act of 1934 and the United States Private Securities Litigation Reform Act of 1995. Words such as "will," "look forward," "expect," "believe," "guidance" and similar expressions are used to identify these forward-looking statements (although not all forward-looking statements include such words). These forward-looking statements, which may include, without limitation, projections regarding our future performance and financial condition, are made based on management's current views and assumptions with respect to future events. Any forward-looking statement is not a guarantee of future performance and actual results could differ materially from those contained in the forward-looking statement. These statements speak only as of the date they were made, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We operate in a changing environment. New risks emerge from time to time and it is not possible for us to predict all risks that may affect us. For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in our Annual Report on Form 20-F for the year ended December 31, 2023, which filed on May 13, 2024, and subsequent reports and filings made from time to time with the Securities and Exchange Commission. Magic® is a registered trademark of Magic Software Enterprises Ltd. All other product and company names mentioned herein are for identification purposes only and are the property of, and might be trademarks of, their

respective owners. Â Press Contact: Â Ronen Platkevitz Magic Software Enterprise.com Â 5 Â
MAGIC SOFTWARE ENTERPRISES LTD. CONDENSED CONSOLIDATED STATEMENTS OF INCOME U.S. Dollars in
thousands (except per share data) Â Â Â Three months endedÂ Â Nine months endedÂ Â Â September 30,Â Â
September 30,Â Â Â 2024Â Â 2023Â Â 2024Â Â 2023Â Â Â UnauditedÂ Â UnauditedÂ RevenuesÂ \$142,968Â Â
\$129,484Â Â \$409,938Â Â \$409,507Â Cost of RevenuesÂ Â 103,287Â Â Â 92,647Â Â Â 294,715Â Â Â 293,480Â
Gross profitÂ Â 39,681Â Â Â 36,837Â Â Â 115,223Â Â Â 116,027Â Research and development, netÂ Â 3,033Â Â
Â 2,661Â Â Â 8,673Â Â Â 7,625Â Selling, marketing and general and administrative expensesÂ Â 21,577Â Â
Â 20,847Â Â Â 62,013Â Â Â 64,277Â Total operating expensesÂ Â 24,610Â Â Â 23,508Â Â Â 70,686Â Â Â 71,902Â
Operating incomeÂ Â 15,071Â Â Â 13,329Â Â Â 44,537Â Â Â 44,125Â Financial expenses, netÂ Â (1,364)Â
Â (1,702)Â Â (4,243)Â Â (2,717) Income before taxes on incomeÂ Â 13,707Â Â Â 11,627Â Â Â 40,294Â Â Â 41,408Â
Taxes on incomeÂ Â 3,273Â Â Â 2,942Â Â Â 9,042Â Â Â 8,210Â Net incomeÂ Â \$10,434Â Â Â \$8,685Â Â Â \$31,252Â Â
\$33,198Â Share of loss of companies accounted for at equity, netÂ Â (119)Â Â Â -Â Â (268)Â Â -Â Net income
attributable to non-controlling interestsÂ Â (1,884)Â Â (1,539)Â Â (4,723)Â Â (4,650) Net income attributable to
Magicâ€™s shareholdersÂ \$8,431Â Â \$7,146Â Â \$26,261Â Â \$28,548Â Â Â Â Â Â Â Â Â Â Â Â Â
Weighted average number of shares used in computing net earnings per shareÂ Â Â Â Â Â Â Â Â Â Â Â Â
BasicÂ Â 49,099Â Â Â 49,096Â Â Â 49,099Â Â Â 49,049Â DilutedÂ Â 49,099Â Â Â 49,115Â Â Â 49,099Â Â
Â 49,116Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Basic and diluted earnings per share attributable to Magicâ€™s
shareholdersÂ \$0.17Â Â \$0.15Â Â \$0.53Â Â \$0.58Â Â 6 Â MAGIC SOFTWARE ENTERPRISES LTD.
RECONCILIATION OF GAAP AND NON-GAAP RESULTS U.S. Dollars in thousands (except per share data) Â Â Â
Three months endedÂ Â Nine months endedÂ Â Â September 30,Â Â September 30,Â Â Â 2024Â Â 2023Â Â
2024Â Â 2023Â Â Â UnauditedÂ Â UnauditedÂ GAAP gross profitÂ \$39,681Â Â \$36,837Â Â \$115,223Â Â
\$116,027Â Amortization of capitalized software and acquired technologyÂ Â 1,031Â Â Â 995Â Â Â 3,265Â Â
Â 3,066Â Amortization of other intangible assetsÂ Â 311Â Â Â 237Â Â Â 935Â Â Â 726Â Non-GAAP gross profitÂ
\$41,023Â Â \$38,069Â Â \$119,423Â Â \$119,819Â Â Â Â Â Â Â Â Â Â Â Â Â GAAP operating incomeÂ
\$15,071Â Â \$13,329Â Â \$44,537Â Â \$44,125Â Gross profit adjustmentsÂ Â 1,342Â Â Â 1,232Â Â Â 4,200Â Â
Â 3,792Â Amortization of other intangible assetsÂ Â 1,994Â Â Â 2,370Â Â Â 5,591Â Â Â 6,100Â Increase in valuation
of contingent consideration related to acquisitionsÂ Â 221Â Â Â 547Â Â Â 648Â Â Â 382Â Capitalization of software
developmentÂ Â (724)Â Â (907)Â Â (2,207)Â Â (2,341) Costs related to acquisitionsÂ Â 32Â Â Â 39Â Â Â 334Â Â
Â 220Â Cost of share-based paymentÂ Â 521Â Â Â 600Â Â Â 1,716Â Â Â 1,831Â Non-GAAP operating incomeÂ
\$18,457Â Â \$17,210Â Â \$54,819Â Â \$54,109Â Â Â Â Â Â Â Â Â Â Â Â Â GAAP net income attributable to
Magicâ€™s shareholdersÂ \$8,431Â Â \$7,146Â Â \$26,261Â Â \$28,548Â Operating income adjustmentsÂ Â 3,386Â Â
Â 3,881Â Â Â 10,282Â Â Â 9,984Â Amortization expenses attributed to non-controlling interests and redeemable non-
controlling interestsÂ Â (466)Â Â (480)Â Â (1,314)Â Â (1,004) Changes in unsettled fair value of contingent
consideration related to acquisitionsÂ Â 66Â Â Â 53Â Â Â 232Â Â Â 256Â Deferred taxes on the above itemsÂ
Â (286)Â Â (189)Â Â (1,351)Â Â (980) Non-GAAP net income attributable to Magicâ€™s shareholdersÂ \$11,131Â Â
\$10,411Â Â \$34,110Â Â \$36,804Â Â Â Â Â Â Â Â Â Â Â Â Â Non-GAAP basic and diluted net earnings per
shareÂ \$0.23Â Â \$0.21Â Â \$0.69Â Â \$0.75Â Weighted average number of shares used in computing basic net
earnings per shareÂ Â 49,099Â Â Â 49,096Â Â Â 49,099Â Â Â 49,094Â Weighted average number of shares used in
computing diluted net earnings per shareÂ Â 49,099Â Â Â 49,118Â Â Â 49,099Â Â Â 49,122Â Â 7 Â Summary of
Non-GAAP Financial Information U.S. Dollars in thousands (except per share data) Â Â Â Three months endedÂ Â
Nine months endedÂ Â Â September 30,Â Â September 30,Â Â Â 2024Â Â 2023Â Â 2024Â Â 2023Â Â
UnauditedÂ Â UnauditedÂ Â UnauditedÂ Â UnauditedÂ RevenuesÂ \$142,968Â Â Â 100%Â \$129,484Â Â Â 100%Â
\$409,938Â Â Â 100%Â \$409,507Â Â Â 100% Gross profitÂ Â 41,023Â Â Â 28.7%Â Â 38,069Â Â Â 29.4%Â
Â 119,423Â Â Â 29.1%Â Â 119,819Â Â Â 29.3% Operating incomeÂ Â 18,457Â Â Â 12.9%Â Â 17,210Â Â Â 13.3%Â
Â 54,819Â Â Â 13.4%Â Â 54,109Â Â Â 13.2% Net income attributable to Magicâ€™s shareholdersÂ Â 11,131Â Â
Â 7.8%Â Â 10,411Â Â Â 8.0%Â Â 34,110Â Â Â 8.3%Â Â 36,804Â Â Â 9.0% Basic and diluted earnings per shareÂ
\$0.23Â Â Â Â Â \$0.21Â Â Â Â Â \$0.69Â Â Â Â Â \$0.75Â Â Â Â Â 8 Â MAGIC SOFTWARE ENTERPRISES
LTD. CONDENSED CONSOLIDATED BALANCE SHEETS U.S. Dollars in thousands Â Â Â SeptemberÂ 30,Â Â
DecemberÂ 31,Â Â Â 2024Â Â 2023Â Â Â UnauditedÂ Â Â ASSETSÂ Â Â Â Â CURRENT ASSETS:Â Â Â Â
Â Â Cash and cash equivalentsÂ \$98,942Â Â \$105,943Â Short-term bank depositsÂ Â 739Â Â Â 751Â Trade
receivables, netÂ Â 143,109Â Â Â 131,098Â Other accounts receivable and prepaid expensesÂ Â 19,126Â Â
Â 18,833Â Total current assetsÂ Â 261,916Â Â Â 256,625Â Â Â Â Â Â LONG-TERM ASSETS:Â Â Â Â
Â Â Deferred tax assetsÂ Â 5,539Â Â Â 6,729Â Right-of-use assetsÂ Â 24,586Â Â Â 25,718Â Other long-term
receivables and Investments in companies accounted for at equityÂ Â 8,258Â Â Â 8,623Â Property and equipment,
netÂ Â 7,386Â Â Â 7,988Â Intangible assets and goodwill, netÂ Â 218,608Â Â Â 216,723Â Total long term assetsÂ
Â 264,377Â Â Â 265,781Â Â Â Â Â Â Â Â Â Â Â TOTAL ASSETSÂ \$526,293Â Â \$522,406Â Â Â Â Â Â Â
LIABILITIES AND EQUITYÂ Â Â Â Â Â Â Â Â Â Â Â Â CURRENT LIABILITIES:Â Â Â Â Â Short-term
debtÂ \$27,017Â Â \$28,941Â Trade payablesÂ Â 27,808Â Â Â 28,415Â Accrued expenses and other accounts
payableÂ Â 49,006Â Â Â 41,492Â Current maturities of lease liabilitiesÂ Â 4,370Â Â Â 4,406Â Liability in respect of
business combinationsÂ Â 1,879Â Â Â 6,656Â Put options for non-controlling interestsÂ Â 19,838Â Â Â 18,252Â
Deferred revenues and customer advancesÂ Â 19,185Â Â Â 13,537Â Total current liabilitiesÂ Â 149,103Â Â
Â 141,699Â Â Â Â Â Â Â LONG TERM LIABILITIES:Â Â Â Â Â Long-term debtÂ Â 38,739Â Â
Â 52,267Â Deferred tax liabilityÂ Â 8,891Â Â Â 11,610Â Long-term lease liabilitiesÂ Â 22,212Â Â Â 23,101Â Long-
term liability in respect of business combinationsÂ Â 1,670Â Â Â 1,049Â Put options of non-controlling interestsÂ Â -
Â Â 620Â Employee benefit liabilitiesÂ Â 1,125Â Â Â 1,116Â Total long term liabilitiesÂ Â 72,637Â Â Â 89,763Â
Â Â Â Â Â Â Â Â Â Â EQUITY:Â Â Â Â Â Magic Software Enterprises shareholdersâ€™ equityÂ Â 279,414Â Â
Â 265,981Â Non-controlling interestsÂ Â 25,139Â Â Â 24,963Â Total equityÂ Â 304,553Â Â Â 290,944Â Â Â
Â Â Â Â Â Â TOTAL LIABILITIES AND EQUITYÂ \$526,293Â Â \$522,406Â Â 9 Â MAGIC SOFTWARE
ENTERPRISES LTD. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS U.S. Dollars in thousands Â Â Â
Nine months ended September 30,Â Â Â 2024Â Â 2023Â Â Â UnauditedÂ Â UnauditedÂ Cash flows from operating
activities:Â Â Â Â Â Â Â Â Â Net incomeÂ \$30,984Â Â \$33,198Â Adjustments to reconcile net income to
net cash provided by operating activities:Â Â Â Â Â Â Â Depreciation and amortizationÂ Â 15,370Â Â Â 15,418Â
Cost of share-based paymentÂ Â 1,270Â Â Â 1,831Â Change in deferred taxes, netÂ Â (1,965)Â Â (2,380) Payments
of deferred and contingent consideration related to acquisitionsÂ Â -Â Â Â (40) Capital gain on sale of fixed assetsÂ
Â (26)Â Â 23Â Amortization of premium and accrued interest on debt instruments at fair value through other

comprehensive income 5 Effect of exchange rate on of cash and cash equivalents held in currencies other than the functional currency 81 Changes in value of short-term and long-term loans from banks and others and deposits, net (682) 2,095 Working capital adjustments: Trade receivables (8,746) 24,172 Other current and long-term accounts receivable (24) (1,029) Trade payables (201) (2,284) Accrued expenses and other accounts payable 7,292 (6,921) Deferred revenues 5,767 1,408 Net cash provided by operating activities 49,120 65,496 Cash flows from investing activities: Capitalized software development costs (2,207) (2,341) Purchase of property and equipment (1,000) (839) Cash paid in conjunction with deferred payments and contingent liabilities related to business combinations (11,844) (15,585) Payments of deferred and contingent consideration related to acquisitions (7,553) (17,458) Proceeds from sale of property and equipment 42 23 Redemption of marketable securities 1,585 - Investment in long-term deposits (291) - Investment in marketable securities (464) - Investment in short-term bank deposits (685) - Investment in companies accounted for at equity (198) (498) Proceeds from repayment of loan receivables - 835 Proceeds from short-term bank deposits 700 3,532 Net cash used in investing activities (21,915) (32,331) Cash flows from financing activities: Dividend to Magic's shareholders (10,016) (30,798) Dividend paid to non-controlling interests (4,966) (3,925) Proceeds from sale of non-controlling interest 174 - Repayment of lease liabilities (4,443) (4,096) Purchase of redeemable non-controlling interest (314) (5,073) Short-term and long-term loans received 12,601 49,467 Repayment of short-term and long-term loans (26,769) (12,478) Net cash (used in) provided by financing activities (33,733) (6,903) Effect of exchange rate changes on cash and cash equivalents (472) (3,621) Increase (decrease) in cash and cash equivalents (7,001) 22,641 Cash and cash equivalents at the beginning of the period 105,943 83,062 Cash and cash equivalents at end of the period \$98,942 \$105,703 10