

NEXT VISION STABILIZED SYSTEMS LTD

("the Company")

September 28, 2025

To:

Israel Securities Authority

TEL AVIV STOCK EXCHANGE LTD

www.tase.co.il www.isa.gov.il

Subject:

Immediate Report Regarding a Non-Material Private Allocation

Further to the Company's employee plan^[101] under which the Company is entitled to allocate options to its employees as detailed in the plan, the Company hereby announces that at a meeting of the Company's Board of Directors held on September 28, 2025, it was decided to approve the allocation, without consideration, of 137,000 non-tradable options of the Company (hereinafter: "the options" or "the offered options"), exercisable into 137,000 ordinary shares of NIS 0.00005 par value each of the Company, to 10 employees of the Company^[102] (hereinafter: "the offerees"), all of whom are not controlling shareholders of the Company by virtue of their holdings in the Company's shares, as defined in the rules of the TEL AVIV STOCK EXCHANGE LTD (hereinafter: "the Stock Exchange") and who will not become controlling shareholders by virtue of shareholding, if and to the extent the offered options are exercised, as detailed below:

The options will be allocated to the offerees, in accordance with the provisions of Section 102(b)(2) (capital gains route) of the Income Tax Ordinance (New Version), 1961 (hereinafter: "Section 102" and "the Ordinance", respectively), in accordance with the Company's employee option plan.

It is further noted that, to the best of the Company's knowledge, none of the offerees is an interested party in the Company, as defined in Section 270(5) of the Companies Law, 1999 (hereinafter: "the Companies Law") and will not become an interested party if and to the extent he exercises the options allocated to him (if allocated).

1. Terms of the Offered Options, Their Quantity and Percentage of the Company's Share Capital and Voting Rights

- **1.1 Exercise Price:**

- Each of the options will be exercisable into a share of the Company, from the date of allocation until the end of 60 months (five years) from the date of allocation, for a non-linked exercise price of NIS 146.7 per share.
- Assuming full exercise of all options, the above options will constitute approximately 0.15% of the Company's share capital and voting rights (about 0.14% on a fully diluted basis).

- **1.2 Vesting Dates for Exercising the Options**

- Subject to the following, each offeree may exercise the options allocated to him, into shares of the Company, as follows:
 - (a) 50% of the options allocated to him – after two years from the date of allocation.
 - (b) 25% of the options allocated to him – after three years from the date of allocation.
 - (c) 25% of the options allocated to him – after four years from the date of allocation.

According to the above and subject to the provisions of the plan, from the end of four years from the date of allocation, all options will be exercisable into shares of the Company.

1.3 Exercise Period

Each option will be exercisable (subject to vesting) from its allocation date until the end of 60 months (five years) from its allocation date (hereinafter: "the exercise period" and "the expiration date", respectively).

1.4 Rights of the Exercise Shares

The exercise shares will entitle the offerees to participate in full in cash dividends or bonus shares and in any other distribution for which the record date is on or after the exercise date, as well as to participate in the Company's surplus assets in the event of liquidation. From the exercise date, the exercise shares will be equal in all respects to the existing ordinary shares of the Company on the exercise date.

1.5 Fractional Shares

The Company will not allocate fractional shares for the exercise of the offered options, and any quantity of exercise shares allocated by the Company will be rounded up or down to the nearest whole number.

1.6 Adjustments

From the date of allocation of the options to the offerees until the end of the exercise period, the exercise price and/or the number of shares to be allocated upon exercise of each option will be adjusted in the following cases and manner, provided that the record date for the cases listed below occurs before the exercise date, including during the lock-up period as defined in Section 1.7 below:

- **A. Changes in Capital** – In the event of consolidation, split, or reorganization of capital or similar circumstances, the Company will update the number of shares resulting from the exercise of each allocated option and/or the exercise price of the allocated options so that the total consideration for the exercise of the allocated option does not change.
- **B. Bonus Share Distribution** – If the Company distributes bonus shares to shareholders, where the record date for entitlement to participate in the distribution occurs before the exercise of the options, the rights of the offerees will be preserved so that immediately after the record date for the bonus share distribution, the number of shares resulting from the exercise of the options to which the offerees are entitled upon exercise will increase by adding the number of shares the offerees would have been entitled to as bonus shares had they exercised the option (not yet exercised) just before the record date.

The exercise price of each option will not change as a result of the addition of such shares. The provisions relating to the exercise shares will also apply to the shares added to the exercise shares as stated above, subject to necessary changes. In the case of adjustments under this section, the offerees will not be entitled to receive a fraction of a whole share.

It is clarified that the number of exercise shares to which the offerees will be entitled will be adjusted only in the case of a bonus share distribution as stated, but not in the case of any other issuances (including issuances to interested parties).

Except for the adjustments detailed above, there will be no adjustment of the exercise price and/or the number of exercise shares in any other case, including dividend distribution and/or rights offering.

1.7 Allocation of Options and Exercise Shares to the Trustee and Offerees

The trustee appointed by the Board of Directors is Eltsheer Ltd. (hereinafter: "the Trustee"). The Trustee will be granted all powers under Section 102 as well as any other power agreed upon between him and the Company in a trust agreement to be made between him and the Company.

The options will be allocated to offerees who are employees of the Company in accordance with the provisions of Section 102 of the Ordinance under the capital gains route. Accordingly, the options will be allocated in the name of the Trustee, deposited and held by him for the offerees, and registered in his name in the Company's register of members, unless otherwise agreed between the Company and the offerees, for a period not less than 24 months from the end of the tax year in which the options were allocated for the offerees and deposited with the Trustee, as provided in Section 102, or any other period as may be determined by law (hereinafter: "the lock-up period"). If the options are exercised before the end of the lock-up period, they will be deposited in a trust account in the name of the Trustee and held by him for the offerees.

The Trustee will not transfer exercise shares to the offerees before the end of the lock-up period and before receiving the Company's confirmation of payment of the exercise price to the Company.

The granting of options to the offerees under the plan will be made by delivering an allocation notice to the offeree no later than 30 days from the date of the Company's management decision and the fulfillment of the conditions precedent. The allocation notice will include, among other things, details regarding the exercise price of the allocated options, their expiration date, and their vesting dates.

1.8 Entitlement to the Offered Options

Subject to the lock-up period as defined above, the offerees will be entitled to receive and/or exercise, as the case may be, the options allocated for them, all or part thereof, in accordance with the vesting dates detailed in the allocation notice (hereinafter: "the vesting dates"). Subject to the vesting dates, the offerees will be entitled to exercise into Company shares the options allocated for them, all or part thereof, on any business day, until their expiration date.

Options not exercised by the expiration date will expire and will not confer any rights on the offerees, subject to the provisions of the plan.

From the end of the lock-up period, and subject to the plan (unless otherwise agreed between the Company and the offerees), the offerees will be entitled, at any time, to require the Trustee to transfer to their name the options to which they are entitled and/or to transfer the exercise shares to an account in their ownership (hereinafter together: "the securities"), all or part thereof, provided that the Trustee will not transfer the securities as stated unless the applicable tax has been paid according to law (i.e., under Section 102 of the Ordinance and/or the regulations thereunder and/or the rules (hereinafter: "the applicable tax")) and the Trustee has received confirmation from the tax assessor regarding payment of the tax or alternatively, after the Company and/or the Trustee have deducted the applicable tax in connection with the said securities as required by law.

The right of the offerees, subject to the vesting dates as defined above, to receive and/or exercise the options under this plan, is conditional upon the offeree being an employee and/or office holder in the Company and/or its subsidiary and/or its affiliate at the relevant vesting dates, unless expressly agreed otherwise. If after any of the relevant vesting dates an offeree ceases to be an employee and/or office holder in the Company and/or its subsidiary and/or its affiliate, his entitlement to receive options for which the vesting date has not yet arrived will expire, but he will be entitled to receive all securities for which the vesting date has passed, all subject to the provisions of the plan.

It is hereby clarified that the Trustee will not transfer options allocated to him and/or exercise shares to the offeree before the end of the lock-up period and/or if the vesting dates applicable to these securities have not yet passed, as applicable, and the offeree will not be entitled to such transfer.

Notwithstanding the above, if the offeree requests the Trustee to transfer the options and/or exercise shares, all or part thereof, to which he is entitled, before the end of the lock-up period, the offeree's income from the allocation of the options will be considered as income as stated in Section 102(b)(4) of the Ordinance. Accordingly, the Trustee will transfer to the offeree the securities to which he is entitled, as stated above, only after the applicable tax has been paid and the Trustee has received confirmation from the tax assessor regarding payment of the tax or alternatively, after the Company and/or the Trustee have deducted the applicable tax in connection with the said securities as required by law.

1.9 Taxation

The offeree will bear all tax liabilities, levies, mandatory payments imposed by the tax authorities (in Israel or abroad), and any other mandatory payment or liability, arising to the offeree and/or the Company and/or the Trustee due to the allocation of the options, exercise of the options, and holding or transfer or sale of the exercise shares by or for the offerees.

1.10 Allocation of Exercise Shares

All shares resulting from the exercise of the options will be allocated in the name of the Company for the records of the TEL AVIV STOCK EXCHANGE LTD to the credit of a stock exchange member account in which the Trustee's account or the account of any of the offerees, as the case may be, will be managed.

1.11 Instructions Regarding T+1 Clearing:

The Company will act in accordance with the instructions of the Stock Exchange regarding the transition to T+1 clearing in shares and convertible securities, as may be from time to time. Accordingly, as long as otherwise is not determined in the Stock Exchange regulations and the guidelines thereunder, no exercise will occur on the record date for bonus share distribution, rights offering, dividend distribution, capital consolidation, capital split, or capital reduction (each of the above hereinafter: "corporate event"); if the ex-date of a corporate event occurs before the record date of a corporate event, no exercise will be made on the ex-date as stated.

2. Share Price on the Stock Exchange

The closing price of the Company's share on the Stock Exchange on September 25, 2025 (the trading day preceding the Board of Directors' decision to approve the allocation) was NIS 146.7, which is identical to the exercise price of the offered options.

3. Consideration

The options will be allocated to the offerees without consideration. The exercise price of the offered options was determined by the Company's Board of Directors in order to involve the offerees in the Company's capital and to create an incentive among the offerees to increase the Company's profits, achievements, and future success.

4. Details of Agreements Regarding Rights in the Company's Shares

To the best of the Company's knowledge and as reported to it by the offerees, as of the date of this immediate report, there are no agreements or arrangements, whether written or oral, between the offerees and other holders of the Company's shares or among the offerees, all or some, among themselves or with others, regarding the purchase or sale of the Company's securities or regarding voting rights in the Company.

5. Prohibition or Restriction on Actions in the Offered Options and Exercise Shares

(a) The rights of the offerees in connection with the options and/or the exercise shares, all or part thereof, as long as the options and/or the exercise shares, as applicable, have not been transferred to them from the Trustee and registered in their name, are personal and non-divisible, non-assignable, non-transferable, non-endorsable, non-pledgeable, non-liable, non-seizable, or otherwise encumbered voluntarily or by law, except for transfer by will or inheritance laws (subject to their entitlement to the said securities), and no power of attorney or transfer deed may be given for them, whether effective immediately or at a future date, except as expressly provided in the plan.

(b) As detailed in Section 1.7 above, the options will be allocated in the name of the plan's Trustee, deposited and held by him in trust for the offerees, and registered in his name in the Company's register of members, unless otherwise agreed between the Company and any of the offerees regarding the options intended for him, for the duration of the lock-up period (as defined in Section 1.7 above).

(c) Each offeree may exercise the options allocated to him only in accordance with the vesting dates detailed in Section 1.7 above.

(d) According to Section 15C of the Securities Law (hereinafter: "the Securities Law") and the Securities Regulations (Details Regarding Sections 15A and 15C of the Law), 2000, the following will be considered a public offering by the offerees:

- **(a)** An offer during trading on the Stock Exchange of the exercise shares allocated to them, if six months have not yet passed from the date of allocation (hereinafter: "the absolute lock-up period");
- **(b)** An offer during trading on the Stock Exchange of the exercise shares allocated to them, if six consecutive quarters have not yet passed, counted from the end of the period mentioned in paragraph (a) above (hereinafter: "the drip period"), and if during the drip period one of the following occurred:
 - **(1)** During the drip period, the number of options offered on any trading day on the Stock Exchange exceeded the daily average trading volume on the Stock Exchange of the options during the eight-week period preceding the offer date;
 - **(2)** The quantity of allocated shares offered during any quarter exceeded 1% of the issued and paid-up share capital of the Company.
 - **Issued and paid-up capital** – excluding shares resulting from the exercise or conversion of convertible securities allocated up to the offer date and not yet exercised or converted.
- **(c)** The above will also apply to exercise shares purchased during the absolute lock-up period or the drip period as stated, not according to a prospectus and not during trading on the Stock Exchange.

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The allocation of options for the offerees will be made only after the offerees undertake and declare to the Company that they undertake to act with the allocated shares in a manner that will not be considered a public offering, as stated in the Securities Law.

6. Date of Option Allocation

The said options will be allocated within 7 business days after receiving all required approvals for their allocation (for each offeree separately).

Respectfully,

NEXT VISION STABILIZED SYSTEMS LTD

Signed by:

Chen Golan, Chairman of the Board

FOOTNOTE:

¹⁰¹ Published on February 5, 2024 (Reference No.: 2024-01-013608), all of which is incorporated by reference into this immediate report (hereinafter: "the plan").

¹⁰² With whom the Company has employer-employee relations.