

Next Vision Stabilized Systems Ltd. (the "Company")

To:

Israel Securities Authority

www.isa.gov.il

To:

Tel Aviv Stock Exchange Ltd.

www.tase.co.il

Subject: Immediate Report Regarding Non-Material Private Allocation

Further to the Company's employee stock option outline¹, under which the Company may grant options to employees, all as detailed in the outline, the Company hereby announces that at the meeting of the Company's Board of Directors held on September 28, 2025, it was resolved to approve the allocation, at no consideration, of 324,900 non-tradable options of the Company (hereinafter: the "Options" or the "Offered Options"), exercisable into 324,900 ordinary shares of nominal value of 0.00005 NIS each of the Company, to 45 employees of the Company, among them Mr. Alex Lavi, the Company's Chief Financial Officer, and Mr. Liran Relar, the Company's Chief Operating Officer² (hereinafter: the "Offerees"), all of whom are not interested parties in the Company by virtue of their shareholding in the Company, as defined by the rules of the Tel Aviv Stock Exchange Ltd. (hereinafter: the "Stock Exchange") and who will not become interested parties in the Company by virtue of shareholding, if and to the extent that the Options offered to them 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 Track) of the Israeli Income Tax Ordinance [New Version], 1961 (hereinafter: "Section 102" and the "Ordinance," respectively), and pursuant to the employee option plan of the Company.

It should also be 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 such even if and to the extent that he/she exercises the options granted to him/her (if granted).

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 shall be exercisable into one share of the Company, from the allocation date until 60 months (five years) after the allocation date, at a non-linked exercise price of 197 NIS per share.

Assuming full exercise of all of the options, such options would constitute approximately 0.36% of the Company's share capital and voting rights (about 0.34% on a fully diluted basis).

1.2 Vesting Schedules for the Options

Subject to the following, each of the Offerees may exercise the options allocated to him/her into shares of the Company, as follows:

- (a)
50% of the options allocated to him/her – after two years from the grant date.
- (b)
25% of the options allocated to him/her – after three years from the grant date.
- (c)
25% of the options allocated to him/her – after four years from the grant date.

¹
As published on November 9, 2025 (reference number: 2025-01-085213), all of which is incorporated by reference into this immediate report (hereinafter: the outline).

²
There are employer-employee relations between the employees, including Mr. Alex Lavi and Mr. Liran Relar, and the company.

2024-06-17

In accordance with the foregoing and subject to the provisions of the plan, from the end of four years from the date of their grant, all of the options will become exercisable into shares of the company.

1.3 Exercise Period

Each option will be exercisable (subject to its vesting) from its date of grant until the end of 60 months (five years) from its date of grant (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 dividends in cash or in bonus shares and in any other distribution for which the record date for the right to receive them falls on or after the exercise date, as well as to participate in the company's surplus assets in the event of liquidation. From the date of exercise, the exercise shares will be equal in all respects to the existing ordinary shares of the company as of the date of exercise.

1.5 Fractional Shares

The company will not allocate fractional shares due to the exercise of the offered options, and the number of exercise shares that the company allocates will be rounded up or down to the nearest whole number.

1.6 Adjustments

From the date of grant 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 shall be adjusted in the following cases and manner, provided that the record date for the cases specified below falls 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, then 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 such that the total consideration for the exercise of the allocated option shall not change.

B. Distribution of Bonus Shares – If the company distributes to its shareholders bonus shares for which the record date for entitlement to participate in their distribution falls before the exercise of the options, the rights of the offerees will be preserved such that immediately after the record date for the distribution of the bonus shares, the number of shares arising 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 (which they have not yet exercised) immediately before the record date. The exercise price for each option will not change due to 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 in this section above, subject to required modifications. In the event of adjustments under this section, the offerees shall not be entitled to receive a part of a whole share. It is clarified that the number of exercise shares to which the offerees will be entitled shall be adjusted only in the case of a distribution of bonus shares as stated, but not in the event of any other issuance (including issuance 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 in the event of a dividend distribution and/or a rights issue.

1.7 Allocation of Options and Exercise Shares to Trustee and Offerees

2024-06-04

The trustee appointed by the Board of Directors is Altscher Ltd. (hereinafter and above: the Trustee). The Trustee shall be granted all powers according to Section 102 as well as any other authority as agreed between the Trustee and the Company in a trust agreement executed between them.

The options will be allocated to the grantees 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 the trustee for the grantees, and registered in the name of the trustee in the company's shareholders' register, unless otherwise agreed between the company and the grantees, for a period no less than 24 months from the end of the tax year in which the options were allocated for the grantees and deposited with the trustee, as set forth in Section 102, or for any other period as may be determined by law (hereinafter and above: the lockup period).

If the options are exercised before the end of the lockup period, they will be deposited in a trust account in the name of the trustee and held by the trustee for the grantees.

The trustee shall not transfer exercise shares to the grantees before the end of the lockup period and before receipt of the company's confirmation of payment of the exercise price to the company.

The granting of the options to the grantees under the plan will be carried out by sending an allocation notice to the grantee, no later than 30 days from the date the company's management determines and the suspensive conditions are fulfilled.

The allocation notice will include, among other things, details regarding the exercise price of the allocated options, their expiration date, and the vesting schedule.

1.8 Eligibility for the Offered Options

Subject to the lockup period as defined above, the grantees will be entitled to receive and/or exercise, as applicable, the options allocated to them, in whole or in part, in accordance with the vesting schedule outlined in the allocation notice (hereinafter: vesting dates).

Subject to the vesting dates, the grantees shall be entitled to exercise, for company shares, the options allocated to them, in whole or in part, on any business day, up to their expiration date. Options that are not exercised by the expiration date shall expire and shall not entitle the grantees to any rights, subject to the provisions of the plan.

Beginning at the end of the lockup period, and subject to the plan (unless otherwise agreed between the company and the grantees), the grantees will be entitled, at any time, to request from the trustee the transfer to their name of the options to which they are entitled and/or to transfer the exercise shares to an account in their ownership (hereinafter collectively: the securities), in whole or in part, provided that the trustee shall not transfer the said securities unless the applicable tax has been paid in accordance with the law (i.e., according to Section 102 of the Ordinance and/or its regulations and/or the rules (hereinafter: the applicable tax)) and the trustee has received a confirmation from the assessing officer regarding the payment of the tax, or alternatively, after the company and/or the trustee have withheld the applicable tax relating to said securities as required by law. The right of the grantees, subject to the vesting dates as defined above, to receive and/or exercise the options under this plan is subject to the condition that at the relevant vesting dates, the grantee is an employee and/or an officer of the company and/or its subsidiary and/or its affiliate, unless expressly agreed otherwise.

If, after any of the relevant vesting dates, a grantee ceases to be an employee and/or an officer of the company and/or its subsidiary and/or its affiliate, their entitlement to receive options for which the vesting date has not yet occurred shall expire, but they shall be entitled to receive all securities for which the vesting date has passed, all subject to the provisions of the plan.

It is clarified that the trustee shall not transfer options allocated to them and/or exercise shares to a grantee before the end of the lockup period and/or before the relevant vesting dates applicable to those securities have passed, as applicable, and the grantee shall not be entitled to such transfer.

2024-06-12

Notwithstanding the above, should the Offeree request the Trustee to transfer the Options and/or the Exercised Shares, all or part thereof, to which he is entitled, before the end of the Lock-up Period, the Offeree's income regarding the allocation of the Options shall be treated as income as laid out in Section 102(b)(4) of the Ordinance. In accordance with the above, the Trustee shall transfer to the Offeree the Securities to which he is entitled, as aforesaid, only after the applicable tax has been paid thereon and the Trustee receives a confirmation from the Tax Assessor regarding payment of the tax or, alternatively, after the Company and/or the Trustee withhold the applicable tax concerning said securities as required by law.

1.9 Taxation

The Offeree shall bear all tax liabilities, levies, and mandatory payments imposed by the tax authorities (whether in Israel or abroad), and any other mandatory payments or charges, which may be incurred by the Offeree and/or the Company and/or the Trustee in connection with the allocation of the Options, the exercise of the Options, and the holding or transfer or sale of the Exercised Shares by or for the Offerees.

1.10 Allocation of Exercised Shares

All shares resulting from the exercise of the Options shall be allocated in the name of the Company for the records of the Tel Aviv Stock Exchange Ltd., to the credit of a member account at which the Trustee's account or an Offeree's account, as applicable, is managed.

1.11 Instructions Regarding Clearing: T+1 T+1

The Company shall act in accordance with the instructions of the Stock Exchange regarding transition to clearing on date T+1 in shares and convertible securities, as may be updated from time to time. Accordingly, unless determined otherwise in the Stock Exchange regulations and guidelines thereunder, no exercise shall occur on the record date for distribution of bonus shares, a rights offering, distribution of dividend, capital consolidation, capital split or capital reduction (each shall be referred to as a Company Event); if the ex-date of a Company Event takes place before the record date of the Company Event, no exercise shall occur on said ex-date.

2. The Company Share Price on the Stock Exchange

The closing price of the Company's share on the Stock Exchange on December 25, 2025 (the trading day prior to the Board of Directors' resolution to approve the allocation) stood at NIS 197, and is identical to the exercise price of the offered Options.

3. Consideration

The Options shall be granted to the Offerees at no consideration. The exercise price of the offered Options was determined by the Company's Board of Directors to engage the Offerees in the Company's equity and create an incentive for the Offerees to increase the profits, achievements, and future success of the Company.

4. Details of Agreements Regarding Rights in Company Shares

To the best of the Company's knowledge and as reported 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 themselves, in whole or in part, among themselves or with others, regarding the purchase or sale of Company securities or regarding voting rights in the Company.

5. Prohibition or Restriction on Transactions in Offered Options and Exercised Shares

2024-06-10

(a) The rights of the offerees in relation to the options and/or the exercise shares, all or part thereof, so long as the options and/or the exercise shares, as applicable, have not been transferred to him/her from the trustee and registered in his/her name, are personal and cannot be split, waived in favor of another, transferred, endorsed, pledged, lien, seized or otherwise encumbered willingly or under law, except for a transfer under a will or inheritance laws (subject to eligibility for the said securities), and no power of attorney or transfer deed may be issued for them, whether valid immediately or at a future date, unless expressly provided for in the plan.

(b) As detailed in section 1.7 above, the options will be allocated under the name of the plan trustee, will be deposited and held by the trustee for the offerees and will be registered in his/her name in the company's member registry, unless otherwise agreed between the company and any of the offerees regarding the options allocated to him/her, for the duration of the lock-up period (as defined in section 1.7 above).

(c) Each offeree will be able to exercise the options allocated to him/her only in accordance with the vesting schedules detailed in section 1.7 above.

(d) According to section 15c of the Securities Law (hereinafter: the Securities Law) and the Securities Regulations (Details for the purpose of sections 15a and 15c of the Law), 2000, the following would be considered an offer to the public of offerees:

(a) An offer during trading on the stock exchange of exercise shares allocated to them, if six months have not yet elapsed from the date of allocation (hereinafter: the absolute lock-up period);

(b) An offer during trading on the stock exchange of exercise shares allocated to them, if six consecutive quarters, counted from the end of the period stated in subsection (a) above (hereinafter: the drip period), have not yet elapsed, provided that 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 exchange for the options during the eight weeks preceding the offer day;

(2) The quantity of shares allocated offered, during each quarter, exceeded 1% of the company's issued and paid up share capital.

Issued and paid up share capital – excluding shares resulting from the exercise or conversion of convertible securities allocated by the date of the offer and not yet exercised or converted.

(c) The above shall also apply to exercise shares purchased during the absolute lock-up period or the drip period as stated, not by way of prospectus and not during trading on the stock exchange.

The allocation of options to the offerees shall only be made after the offerees have committed and declared to the company that they undertake to treat the allocated shares in such a way that it will not be deemed a public offer, as specified in the Securities Law.

6. Time of Allocation of Options

The said options will be allocated within 30 business days after receiving all approvals required for their allocation (in relation to each offeree separately).

Respectfully,

Next Vision Stabilized Systems Ltd.

Signed by:

Hen Golan, Chairperson of the Board of Directors