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Board of Directors' Report on the State of Affairs of the Corporation

For the Three-Month Period Ended on March 31, 2026

The Board of Directors of NextVision Stabilized Systems Ltd. (hereinafter: the **"Company"**) is pleased to hereby submit the Board of Directors' Report on the state of the Corporation's affairs as of March 31, 2026 (hereinafter: the **"Report Date"** or **"Date of the Report"**) and for the three-month period ended on March 31, 2026 (hereinafter: the **"Report Period"**), prepared in accordance with the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (hereinafter: the **"Reporting Regulations"**).

This Report is concise in scope and has been prepared based on the assumption that the reader has access to the Company's Annual Reports for 2025 (Reference No.: 2026-01-021416), including the Board of Directors' Report on the state of Company's affairs for the year ended on December 31, 2025 (hereinafter: the **"Periodic Report"**).

Chapter A – Explanations of the Board of Directors Regarding the State of the Company's Affairs

Brief Description of the Company and Its Business Environment

1. General

The Company was incorporated and registered in Israel on April 1, 2009 as a private limited liability company under the name NextVision Stabilized Systems Ltd. (its current name).

Since its incorporation, the Company has been a technology company engaged in the development, manufacturing, and marketing of stabilized day and night imaging solutions for ground and aerial platforms, such as micro and mini UAVs and drones. The Company sells its products to customers who are systems providers that sell their products to end users.

The Company has several products (cameras and accessories) in the weight range between 2 kg and 115 grams.

The Company developed a unique "image stabilization engine," based on a registered patent, which enables it to produce stabilized cameras with world-leading size/weight-to-performance ratios.

In contrast to some of its competitors who attempt to miniaturize existing technology, the Company chose a unique solution by thinking "outside the box," combining



mechanical stabilization (small gimbals) and electronic stabilization (hardware “engine”) that allows it to stabilize the image in real time, thereby maintaining uniqueness and a significant gap from its competitors. The requirement for image stabilization becomes more challenging as the camera becomes smaller and lighter, and as zoom requirements increase. The Company’s technology enables deep zoom from moving platforms while still providing the user with a stable image. The ratio of size and weight to performance and competitive pricing is among the best in the market.

The technology developed by the Company includes the development of day cameras, night cameras, miniaturized gimbals, communication, geo-pointing capabilities, trackers, and additional functionalities that meet the needs of its customers and position the Company as a one-stop shop for manufacturers of ground and aerial platforms that require stabilized zoom optical systems.

In addition to cameras, the Company develops complementary products that significantly reduce the integration time of the cameras into its customers’ various platforms, thereby saving its customers considerable costs and enabling faster time to market.

The Company invests a great deal of time and resources in recruiting personnel, developing technology, capabilities, and new products in order to maintain its competitive advantage in the market and optimally meet its customers’ needs.

Disclosure Regarding the Effects of the Iron Swords War and Operations “Rising Lion” and “Lion’s Roar”

On October 7, 2023, following a surprise attack by the Hamas terrorist organization from the Gaza Strip, the Government of Israel declared the Iron Swords war. As of October 2025, a ceasefire agreement was reached. Following the attack from the Gaza Strip, another attack began in northern Israel by the Hezbollah terrorist organization from Lebanon, and tensions rose in other arenas as well. As part of its response to the threats of the Iron Swords war, the Government of Israel ordered the evacuation of dozens of communities located in the south of the country, around the Gaza Strip, and in the north of the country along the border with Lebanon, and imposed restrictions on various gatherings, workplace activities, and educational activities in accordance with Home Front Command guidelines. In addition, many civilians were called up for extended periods of reserve duty.

These factors led to a slowdown and reduction in business activity in Israel, due in part to business closures, workforce shortages, and disruptions to the supply chain. Potential fluctuations in commodity prices, foreign exchange rates, availability of materials, availability of labor, local services, and access to local resources may affect entities

whose primary activity is with or in Israel. On October 9, 2025, another ceasefire was reached with Hamas, and as of the Report Date all hostages and the bodies of the fallen were returned. The arrangements led to a gradual calming in the north and south.

In March 2026, the Research Department of the Bank of Israel updated the macroeconomic forecast¹. According to the said report, the forecast was formulated under the working assumption that Operation “Lion’s Roar” and the fighting in Lebanon would end towards the end of April. The forecast is based on the assumption that the relative calm on the various fronts will continue. GDP is expected, according to the Bank of Israel, to grow by 3.8% in 2026, and is expected to grow by 5.5% in 2027. The inflation rate in the next four quarters (ending in the first quarter of 2027) is expected to be 2.3%. During the years 2026 and 2027, the inflation rate is expected to be 2.2% and 1.8%, respectively. The average interest rate in the first quarter of 2027 is expected to be 3.5%/3.75%.

According to the forecast, Operation “Lion’s Roar” contributes to a decrease in the severity of the threat from Iran and another round of fighting is not expected soon. However, the geo-political environment still requires preparedness and high defense expenditures for 2027 and beyond, defense expenditures for preparedness for the possibility of such a round. In addition, although global energy prices have decreased slightly with the end of the fighting, they are expected to remain higher than their original level.

In the short term, the forecast reflects harm to economic activity due to the restrictions on the home front and the reserve call-up, which affects labor supply, alongside an increase in inflation resulting from the rise in oil prices and these restrictions. Alongside this, there is a high level of uncertainty regarding the duration of the fighting and the risks that will remain after it. These factors, including the risk premium, exchange rate, and defense expenditures, will continue to affect economic activity and the economy as a whole.

On January 30, 2026, the rating agency Moody’s updated Israel’s credit rating to Baa1 with a stable outlook. On November 7, 2025, the international credit rating agency S&P updated Israel’s credit rating to A with a stable outlook. On August 12, 2024, the credit rating agency Fitch downgraded Israel’s credit rating to A with a “negative” outlook and reaffirmed it on March 31, 2026².

¹ From the Bank of Israel’s “Macroeconomic Forecast by the Research Department, March 2026.” For further details, see the Bank of Israel website: www.boi.org.il.

² For further details, see the rating announcements of the rating agencies on the websites: www.maalot.co.il; www.fitchratings.com; www.moodys.com.

On June 13, 2025, the State of Israel launched a military operation against Iran, called “Rising Lion.” In response to the operation, Iran launched hundreds of ballistic missiles and unmanned aerial vehicles at military and civilian targets in Israel. The attacks caused widespread infrastructure damage, significant property damage, approximately 30 fatalities among Israeli and foreign civilians, and hundreds of injuries. On June 24, 2025, following an American strike within Iranian territory, a ceasefire agreement was reached between the parties. During Operation “Rising Lion,” the Israeli government closed Israel’s airspace for a period of approximately two weeks. During this period, it was not possible to receive goods from suppliers or to ship goods to the Company’s customers abroad by air. At the end of the operation, a backlog formed with the air freight companies, which cleared about a week later. Following the conclusion of the operation and the resumption of activity by the air freight companies, most of the goods that had not yet been shipped to the Company’s customers were released (during the last week of June, and some even during July). As the Company has several customers with payment terms, goods shipped at the end of June were paid for during the month of July.

On February 28, 2026, Israel, together with the US, launched an attack against the regime in Iran, called “Lion’s Roar.” In response to the operation, Iran launched ballistic missiles and other means against Israel. In response, the Government of Israel closed the airspace of the State of Israel. In addition, the Home Front Command prohibited gatherings in workplaces, and therefore most of the economy was operating partially. On April 9, 2026, a temporary ceasefire between the parties came into effect, which led to some easing of the security situation and the possibility of a gradual return to routine in some areas of the country. Accordingly, the authorities began gradually removing the restrictions imposed on the citizens of the country, including the gradual reopening of the airspace and certain measures to ease economic activity. Nevertheless, as of the date of this Periodic Report, there is uncertainty regarding the duration of the ceasefire or its future implications for the Company’s activity and the economy in general.

Since the beginning of the war, there has been an increase in orders for the Company’s cameras and other products from its customers. In addition, last year the Company increased its inventory in order to maintain flexibility, responsiveness, and the ability to meet the growing demand for the Company’s products from its customers. The Company is continuously increasing its production capacity in order to meet the increase in demand and at the same time continue supplying its customers’ orders on time. Furthermore, due to global geopolitical tensions that are affecting, inter alia, supply chains, and as a precautionary measure only, the Company has decided to stock up on various components which it identified as potentially facing shortages. It should

be clarified that the Company is acting to execute long-term orders, maintain high inventory levels, increase the number of suppliers, avoid reliance on a single supplier to the extent possible, and maintain ongoing contact with its suppliers.

Following Operation “Lion’s Roar” and the closure of the borders of the State of Israel, delays were created in the shipment of goods to the Company’s customers abroad as well as in the receipt of goods by the Company from suppliers. As of the date of this Periodic Report, following the removal of the restrictions, the shipment and receipt of goods have returned to normal.

As of this date, Operation “Iron Swords” and/or Operation “Rising Lion” have not had a material impact on the results of the Company or the Company’s ability to supply its customers with their orders on time. In light of the uncertainty regarding the ceasefire and the renewal of hostilities, the Company is unable to assess the possible effects of the aforementioned operation on the Company and its results. The Company continues at all times to examine the effects of the economic situation and the fighting on its business activity. Nevertheless, and in light of the uncertainty regarding the continuation of the fighting, the continued supply of inventory from suppliers, market volatility, additional measures to be taken by the Government of Israel, and the effects of additional factors, among other things, on the business activity of the Company’s customers, the Company is unable at this time to accurately assess the scope and nature of any additional future effects of Operation “Lion’s Roar” on its results.

The Company’s assessments detailed above regarding future effects of the war in Israel and/or Operation “Rising Lion” in Israel and/or the ceasefire and/or Operation “Lion’s Roar,” constitute forward-looking information, as defined in the Securities Law, based on the Company’s assessments as of the date of this Report. The actual impact of the war and the aforementioned operations on the Company’s condition and the macroeconomic situation and/or the monetary policy in Israel may be materially different from the Company’s assessments, and is not solely under the Company’s control. This is due, inter alia, to an economic slowdown that may develop in the State of Israel, escalation of the war, from one or more of the aforementioned factors related to the war, as well as macroeconomic changes, which may affect the Company’s operations.

The Impact of the Russia-Ukraine War on the Company’s Operations

The Russia-Ukraine war, which began during the month of February in the year 2022, as well as the “heating up” of the global security market, led a considerable number of governments to declare their intention to significantly increase their defense budgets and military procurement. The war in Ukraine, like the “Iron Swords” war, highlighted

the acceleration that exists in the use of loitering munitions, UAVs, and small observation drones for use by forces in the field. In light of this trend, the Company is actually experiencing an increase in demand for the solution it provides to its customers in all fields and even anticipates continued interest in its products.

The information regarding the Company's expectations in connection with the increase in demand for its products following the war in Ukraine constitutes forward-looking information, as defined in the Securities Law, which is not solely under the Company's control. Such information is based on information currently in the Company's possession and on publications written and released by professional parties in connection with the Company's field of operations as of the date of this Periodic Report. This information is only an estimate, which may not materialize or may materialize partially or differently, inter alia due to changes in the field of activity and the factors influencing it. In light of the above, actual results may differ from the estimate detailed above and may even differ materially in connection with the external factors influencing the Company's field of activity.

2. Development of the Company's Business During the Report Period

2.1. The Company is a growing technology company. The Company continues to market its products worldwide and each year new customers are added to its customer base. As a result of numerous changes in the market, technological and regulatory, there is a trend of growth in the number of small platforms requiring a stabilized imaging solution.

2.2. During the Report Period, the Company's sales grew by approximately 86.4% compared to the corresponding period last year. During the Reporting Period, the number of customers to whom the Company sells stood at a total of 112 customers, compared to a total of 111 customers in the corresponding period last year. As of the Report Date, the Company's order backlog stands at approximately USD 288.6 million.

2.3. Further to the Company's immediate reports dated March 13, 2025 and November 20, 2025 in connection with an order received from an existing customer of the Company in a total amount of approximately USD 30 million, on December 31, 2025, regulatory approval for the transaction was received and therefore the condition precedent set forth in Section 7 of the original report was fulfilled. For further details, see the Company's immediate report dated January 1, 2025 (Reference No.: 2025-01-106062), all of which is incorporated herein by reference into this Board of Directors' Report.

- 2.4. On December 31, 2025, the Company received an order from a third party, which is not related to the Company and/or its interested parties, for the purchase of cameras and additional products of the Company, for a total consideration of approximately USD 22.1 million (excluding VAT). For further details, see the Company's immediate report dated January 1, 2026 (Reference No.: 2025-01-106066), all of which is incorporated herein by reference into this Board of Directors' Report.
- 2.5. On January 5, 2026, the Company's Board of Directors resolved to set the Company's annual growth target for 2026 such that the growth target will stand at approximately USD 275 million (reflecting growth of approximately 64% in the Company's revenues compared to the Company's unaudited revenues for 2025 and growth of approximately 72% in the Company's revenues compared to the growth target for 2025). For further details, see the Company's immediate report dated January 5, 2026 (Reference No.: 2026-01-001664), all of which is incorporated herein by reference into this Board of Directors' Report.
- 2.6. On February 10, 2026, the general meeting of the Company's shareholders (after on January 5, 2026, the compensation committee and the Company's Board of Directors approved the same) approved the grant of 10,700 options to Mr. Alex Lavie, the Company's CFO, and 19,400 options to Mr. Liran Reller, the Company's COO. On February 15, 2026, the aforementioned options were granted to the officers. For further details, see the Company's immediate reports dated February 10, 2026 and February 15, 2026 (Reference Nos.: 2026-01-014042 and 2026-01-015056, respectively), all of which is incorporated herein by reference into this Board of Directors' Report.
- 2.7. On January 11, 2026, the Company granted without consideration a total of 324,900 non-tradable options, exercisable into 324,900 ordinary shares of the Company with a nominal value of NIS 0.00005 each, to 45 Company employees. For further details, see the Company's immediate report dated January 12, 2026 (Reference No.: 2026-01-005113), all of which is incorporated herein by reference into this Board of Directors' Report.
- 2.8. On January 15, 2026, the Company received an order from a third party, which is not related to the Company and/or its interested parties, for the purchase of cameras and additional products of the Company, for a total consideration of approximately USD 4.9 million (excluding VAT). For further details, see the Company's immediate report dated January 16, 2026 (Reference No.: 2026-01-006818), all of which is incorporated herein by reference into this Board of Directors' Report.

- 2.9. On January 18, 2026, the Company received an order from a third party, which is not related to the Company and/or its interested parties, for the purchase of cameras and additional products of the Company, for a total consideration of approximately USD 60 million (excluding VAT). For further details, see the Company's immediate report dated January 19, 2026 (Reference No.: 2026-01-007433), all of which is incorporated herein by reference into this Board of Directors' Report.
- 2.10. On January 21, 2026, the Company received an order from a third party, which is not related to the Company and/or its interested parties, for the purchase of cameras and additional products of the Company, for a total consideration of approximately USD 20 million (excluding VAT). For further details, see the Company's immediate report dated January 22, 2026 (Reference No.: 2026-01-008619), all of which is incorporated herein by reference into this Board of Directors' Report.
- 2.11. On February 25, 2026, the Company received an order from a third party, which is not related to the Company and/or its interested parties, for the purchase of cameras and additional products of the Company, in consideration for a total amount of approximately USD 2.5 million (excluding VAT). For further details, see the Company's immediate report dated February 26, 2026 (Reference No.: 2026-01-017659), all of which is incorporated into this Board of Directors' Report by way of reference.
- 2.12. On March 10, 2026, the Company's Board of Directors approved the grant, without consideration, of 180,000 non-tradable options, exercisable into 180,000 ordinary shares of the Company with a nominal value of NIS 0.00005 each, to 22 Company employees. The options were granted to the Company employees on March 23, 2026. For further details, see the Company's immediate reports dated March 11, 2026 and March 24, 2026 (Reference No.: 2026-01-021413 and 2026-01-026165), all of which is incorporated into this Board of Directors' Report by way of reference.
- 2.13. On March 10, 2026, the Company's Board of Directors approved the distribution of a dividend to the Company's shareholders in the amount of approximately USD 51,832 thousand. For further details, see the Company's immediate reports dated March 11, 2026 and March 19, 2026 (Reference No.: 2026-01-021414 and 2026-01-024467, respectively), all of which is incorporated into this Board of Directors' Report by way of reference.
- 2.14. On March 23, 2026, the Company received an order from a third party, which is not related to the Company and/or its interested parties, for the purchase of cameras and additional products of the Company, in consideration for a total amount of

approximately USD 6.1 million (excluding VAT). For further details, see the Company's immediate report dated March 24, 2026 (Reference No.: 2026-01-025926), all of which is incorporated into this Board of Directors' Report by way of reference.

2.15. On March 27, 2026, the Company's Board of Directors approved the grant, without consideration, of 27,500 non-tradable options, exercisable into 27,500 ordinary shares of the Company with a nominal value of NIS 0.00005 each, to a Company employee. On April 19, 2026, the options were granted to the employee. For further details, see the Company's immediate reports dated March 27, 2026 and April 19, 2026 (Reference Nos.: 2026-01-028475 and 2026-01-036117, respectively), all of which is incorporated into this Board of Directors' Report by way of reference.

1. Board of Directors' Explanations Regarding the State of the Company's Business, Activity Results, Equity and Cash Flows

1.1. Financial Condition

The financial data detailed below are based on the Company's reviewed and audited financial statements, prepared in accordance with International Financial Reporting Standards (IFRS).

Below are the main developments that occurred in the items of the statement of financial position (in USD thousands):

Section	Balance as of (USD thousands)			Explanations of Company’s Board of Directors Regarding Changes
	March 31		December 31, 2025	
	2026	2025		
Cash	27,968	40,976	85,440	See analysis of cash flows in Section 1.3 below.
Short term deposits	514,399	61,509	476,857	The Company acts to maintain high liquidity and financial security, and therefore holds short-term deposits (up to one year), in accordance with the Company’s cash management policy. This investment is intended to ensure a solid yield while maintaining the availability of funds for operational and business needs.
Trade receivables	26,056	7,639	12,087	The increase in trade receivables compared to the corresponding period last year is due to an increase in the volume of sales during the period and the granting of credit terms to significant customers.
Current tax receivable	953	-	4,746	The decrease in current taxes receivable is due to the refund of advances paid in excess for the 2024 tax year.

Other accounts receivable	5,909	4,499	5,275	The increase in other receivables and debit balances compared to the corresponding period last year is mainly due to an increase in advances to suppliers for procurement needs for 2026 and 2027.
Inventory	61,979	29,258	53,588	The increase compared to the corresponding period last year is due to the Company's procurement in accordance with the increase in the order backlog, as well as procurement of components in which the Company identified a shortage in the market due to geopolitical tensions.
Total current assets	637,264	143,881	637,993	
Fixed assets	1,111	810	906	The increase in assets is due to the addition of another floor and its renovation to the Company's needs.
Right of use assets	4,409	3,413	2,770	The increase is due to the leasing of additional areas and the signing of a long-term lease agreement in order to support the growth rate of the Company's operations.
Intangible assets	6,178	4,394	4,896	The increase is due to the capitalization of new developments of cameras and accessories during the period less the ongoing amortization.
Total non-current assets	11,698	8,617	8,572	
Trade payables	10,030	7,098	8,679	The increase in trade payables is due to an increase in the volume of production activity and component procurement.
Current tax payable	-	1,023	-	No change compared to the end of 2025.
Other accounts payable	22,123	12,141	18,067	The increase compared to other payables in the corresponding period last year is mainly due to an increase in advances from customers compared to the corresponding period last year.
Total current liabilities	32,153	20,262	26,746	
Lease liabilities	4,826	3,374	3,390	The increase is due to the leasing of additional areas and the signing of a long-term lease agreement in order to support the growth rate of the Company's operations.
Employee benefit liabilities	151	114	151	No material change.
Deferred taxes	722	454	588	The change is due to an increase in the intangible asset due to timing differences.
Total non-current liabilities	5,699	3,942	4,129	

1.2. Results of the Company's Business Activities

Below are explanations of the main developments that occurred in the results of the Company's operations (in USD thousands):

Section	For the Three Months Ended March 31 (USD thousands)		For the Year Ended December 31 (USD thousands) 2025	Explanations of Board of Directors Regarding Changes
	2026	2025		
Income from sales	67,389	36,163	168,354	The increase in revenues is due to a quantitative increase in the number of customers and units sold.
Cost of sales	(22,094)	(9,675)	(50,798)	The decrease in gross profitability is due to the volume discounts that the Company grants to its significant customers and the increase in manpower in the production lines.
Gross profit	45,295	26,488	117,556	
Research and development expenses	(1,793)	(952)	(5,491)	The increase compared to the corresponding period last year is due to the intensification of development efforts and improvements in the Company's various products, mainly through the addition of positions in the development departments.
Sales and marketing expenses	(727)	(447)	(1,874)	The increase is due to the addition of positions and intensification of sales efforts.
General and administrative expenses	(4,427)	(2,887)	(8,667)	The increase compared to the corresponding period last year is due to the update of management compensation agreements and an increase in share-based payment.
Operating profit	38,348	22,202	101,524	
Financing expenses	(120)	(32)	(313)	The increase is mainly due to exchange rate differences and financing expenses for the leasing of new offices.
Financing income	5,993	1,930	13,453	The increase in financing income compared to the corresponding period last year is due to an increase in the volume of bank deposits.
Profit before tax	44,221	24,100	114,664	
Income tax	(5,958)	(3,527)	(11,000)	The increase in income taxes is due to growth in the Company's operations.
Net profit	38,263	20,573	103,664	

Loss from re-measurement of defined benefit plans	-	-	(10)	
Total comprehensive income	38,263	20,573	103,654	

1.3. Cash Flows and Liquidity

As of March 31, 2026, the Company had cash balances totaling approximately USD 27,968 thousand. Below are the main components of the Company's cash flows:

Section	For the Three Months Ended March 31		For the Year Ended December 31 2025	Explanations of the Company's Board of Directors Regarding the Change
	2026	2025		
USD thousands				
Operating activities	31,347	10,801	63,640	The increase in cash flows from operating activities compared to the corresponding period last year is due to the expansion of activity and an increase in the Company's profits.
Investing activities	(42,965)	(13,943)	(424,216)	The increase in investing activities is due to the increase in the volume of deposits held by the Company.
Financing activities	(45,708)	(31,045)	368,489	The increase in financing activities is due to the increase in the dividend distribution in 2026 compared to the dividend distributed in 2025.
Cash balance at end of period	27,968	40,976	85,440	

1.4. Funding Sources

As of the Report Date, the Company finances its activities through its own equity, and does not use external sources of financing.

In light of the Company's positive cash flow for years, the Company does not customarily take credit for the purpose of financing its ongoing activities and therefore the Company does not have credit facilities.

During the months of June and July 2021, the Company completed its first issuance of Company shares on the stock exchange in consideration for approximately NIS 129 million (which also includes an allocation to the Company's pricing underwriter as part of the issuance).

During September 2025, the Company completed a fundraising by way of a non-uniform offering to institutional investors (most of whom are foreign investors), in the amount of approximately NIS 1,387 million. For further details, see the Company's immediate reports dated September 15, 2025 and September 16, 2026 (Reference Nos.: 2025-01-069605 and 2025-01-069694, respectively), all of which is incorporated into this Board of Directors' Report by way of reference.

In addition, during the Reporting Period, 968,887 non-tradable options of Company employees were exercised for total consideration of approximately USD 6,172 thousand.

1.5. Working Capital

As of March 31, 2026, the Company has working capital in the amount of approximately USD 605,111 thousand, compared to working capital in the amount of approximately USD 123,619 thousand as of March 31, 2025.

Part C – Disclosure Regarding the Corporation's Financial Reporting and Corporate Governance Aspects

2. Information Regarding Material Events After the Report Date

- 2.1. On April 3, 2026, the Company received an order from a third party, which is not related to the Company and/or its interested parties, for the purchase of cameras and additional products of the Company, for total consideration of approximately USD 5.5 million (excluding VAT). For further details, see the Company's Immediate Report dated April 6, 2026 (Reference No.: 2026-01-031855), all of which is incorporated into this Board of Directors' Report by way of reference.
- 2.2. On April 16, 2026, the Company received an order from a third party, which is not related to the Company and/or its interested parties, for the purchase of cameras and additional products of the Company, for total consideration of approximately USD 2.3 million (excluding VAT). For further details, see the Company's Immediate Report dated April 16, 2026 (Reference No.: 2026-01-035327), all of which is incorporated into this Board of Directors' Report by way of reference.
- 2.3. On April 23, 2026, the Company received an order from a third party, which is not related to the Company and/or its interested parties, for the purchase of cameras and additional products of the Company, for total consideration of approximately USD 5.8 million (excluding VAT). For further details, see the Company's Immediate Report dated April 24, 2026 (Reference No.: 2026-01-037809), all of which is incorporated into this Board of Directors' Report by way of reference.

- 2.4. On May 10, 2026, the Company's Board of Directors approved the grant, without consideration, of 107,000 non-tradable options, exercisable into 107,000 ordinary shares of the Company with a nominal value of NIS 0.00005 each, to 14 Company employees. For further details, see the immediate report published concurrently with this Board of Directors' Report.
- 2.5. On May 10, 2026, the Compensation Committee and the Company's Board of Directors approved the grant, without consideration, of 32,500 non-tradable options, exercisable into 32,500 ordinary shares of the Company with a nominal value of NIS 0.00005 each, to Danielle Alexandrov (hereinafter: "Alexandrov") who will commence her tenure on June 1, 2026, as executive officer of Business Development, Mergers and Acquisitions. It is subject to Alexandrov commencing her tenure and being employed by the Company on the options' grant date. It is clarified that this grant is also subject to obtaining the approval of the General Meeting of the Company's shareholders. For further details, see the notice of general meeting published concurrently with this Board of Directors' report.
- 2.6. Following the Company's immediate report dated January 5, 2026³, regarding the growth target set by the Company's Board of Directors, such that the target for 2026 stands at approximately \$275 million (reflecting growth of approximately 63.3% in the Company's revenues compared to the Company's revenues for 2025), on May 10, 2026, the Company's Board of Directors updated the Company's annual growth target for 2026 such that the growth target will stand at approximately USD 315 million (reflecting growth of approximately 87.1% in the Company's revenues compared to the Company's revenues for 2025). For further details, see the Company's immediate report concurrently with this Board of Directors' report.

3. **Breakdown of Liabilities by Maturity Dates**

- 3.1. For data regarding the Company's liability breakdown, see the Company's Immediate Report dated May 11, 2026 (Reference No.: 2026-01-043093).

Chen Golan
Chairman of the Board of Directors

Michael Grosman
Chief Executive Officer

Date of approval of the Report: May 10, 2026.

³ Reference No. 2026-01-001664, the contents of which are incorporated into this Board of Directors' Report by reference.

NextVision Stabilized Systems Ltd.

Condensed Interim Financial Statements

As of March 31, 2026

(Unaudited)

NextVision Stabilized Systems Ltd.
Condensed Interim Financial Statements
As of March 31, 2026

(Unaudited)

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This is an English translation of the information included in the Condensed Interim financial statements. In the event of any discrepancy between the original Hebrew and the translation to English, the Hebrew version alone will prevail.



Review Report of the Independent Auditor
to the Shareholders of
NextVision Stabilized Systems Ltd.

Introduction

We have reviewed the accompanying interim financial information of NextVision Stabilized Systems Ltd. (hereinafter: the “**Company**”), which includes the condensed interim statement of financial position as of March 31, 2026 and the condensed interim statements of comprehensive income, changes in equity and cash flows for the three-month period then ended. The Board of Directors and Management are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 (IAS 34) “Interim Financial Reporting”, and they are also responsible for the preparation of this interim financial information in accordance with Chapter D of the Israeli Securities Regulations (Periodic and Immediate Reports), 5730-1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel – “Review of Interim Financial Information Performed by the entity's auditor”. A review of interim financial information consists of inquiries, mainly with individuals responsible for financial and accounting matters, and of the application of analytical and other review procedures. A review is substantially less in scope than an audit which is conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the above-mentioned financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 (IAS 34).

In addition to the foregoing paragraph, based on our review, nothing has come to our attention that causes us to believe that the above-mentioned financial information does not comply, in all material respects, with the disclosure requirements of Chapter D of the Israeli Securities Regulations (Periodic and Immediate Reports), 5730-1970.

**Tel Aviv,
May 10, 2026**

**Ziv Haft
Certified Public Accountants**

Condensed Statements of Financial Position

	As of March 31		As of December 31,
	2026	2025	2025
	Unaudited		Audited
	USD thousands		
Current assets			
Cash	27,968	40,976	85,440
Short term deposits	514,399	61,509	476,857
Trade receivables	26,056	7,639	12,087
Current tax receivable	953	-	4,746
Other accounts receivable	5,909	4,499	5,275
Inventory	61,979	29,258	53,588
	<u>637,264</u>	<u>143,881</u>	<u>637,993</u>
Non-current assets			
Fixed assets	1,111	810	906
Right of use assets	4,409	3,413	2,770
Intangible assets	6,178	4,394	4,896
	<u>11,698</u>	<u>8,617</u>	<u>8,572</u>
	<u>648,962</u>	<u>152,498</u>	<u>646,565</u>
Current liabilities			
Trade payables	10,030	7,098	8,679
Current tax payable	-	1,023	-
Other accounts payable	22,123	12,141	18,067
	<u>32,153</u>	<u>20,262</u>	<u>26,746</u>
Non-current liabilities			
Lease liabilities	4,826	3,374	3,390
Employee benefit liabilities, net	151	114	151
Deferred taxes	722	454	588
	<u>5,699</u>	<u>3,942</u>	<u>4,129</u>
Equity			
Share capital and premium	454,464	46,083	446,328
Reserve for share-based payment	9,308	4,385	8,455
Retained earnings	147,338	77,826	160,907
	<u>611,110</u>	<u>128,294</u>	<u>615,690</u>
	<u>648,962</u>	<u>152,498</u>	<u>646,565</u>

The accompanying notes constitute an integral part of these Condensed Interim Financial Statements.

May 10, 2026			
Approval Date of the Financial Statements	Chen Golan Chairman of the Board	Michael Grosman CEO	Alex Lavie CFO

Condensed Statements of Comprehensive Income

	For the three months ended March 31		For the year ended December 31,
	2026	2025	2025
	Unaudited		Audited
	USD thousands (excl. share profit data)		
Income from sales	67,389	36,163	168,354
Cost of sales	(22,094)	(9,675)	(50,798)
Gross profit	45,295	26,488	117,556
Research and development expenses	(1,793)	(952)	(5,491)
Sales and marketing expenses	(727)	(447)	(1,874)
General and administrative expenses	(4,427)	(2,887)	(8,667)
	(6,947)	(4,286)	(16,032)
Profit from ordinary activity	38,348	22,202	101,524
Financing expenses	(120)	(32)	(313)
Financing income	5,993	1,930	13,453
Operating profit	44,221	24,100	114,664
Income taxes	(5,958)	(3,527)	(11,000)
Net profit	38,263	20,573	103,664
Other comprehensive income (net of tax effects):			
<u>Amounts that will not be subsequently reclassified to profit or loss:</u>			
Loss from re-measurement for defined benefit plans	-	-	(10)
Total other comprehensive loss	-	-	(10)
Total comprehensive income	38,263	20,573	103,654
<u>Net profit per share (in US dollars)</u>			
Base net profit	0.4186	0.2556	1.2349
Diluted net profit	0.4034	0.2466	1.1064

The accompanying notes constitute an integral part of these Condensed Interim Financial Statements.

Condensed Statements of Changes in EquityFor the three-month period ended March 31, 2026 (Unaudited)

	Share capital and premium	Reserve for share-based payment	Retained earnings	Total equity
	USD thousands			
Balance as of January 1, 2026	446,328	8,455	160,907	615,690
Net profit	-	-	38,263	38,263
Consideration from exercise of options	8,136	(1,964)	-	6,172
Cost of share-based payment	-	2,817	-	2,817
Dividend	-	-	(51,832)	(51,832)
Balance as of March 31, 2026	454,464	9,308	147,338	611,110

For the three-month period ended March 31, 2025 (Unaudited)

	Share capital and premium	Reserve for share-based payment	Retained earnings	Total equity
	USD thousands			
Balance as of January 1, 2025	43,194	4,047	90,451	137,692
Net profit	-	-	20,573	20,573
Consideration from exercise of options	2,889	(638)	-	2,251
Cost of share-based payment	-	976	-	976
Dividend	-	-	(33,198)	(33,198)
Balance as of March 31, 2025	46,083	4,385	77,826	128,294

For the year ended December 31, 2025 (Audited)

	Share capital and premium	Reserve for share-based payment	Retained earnings	Total equity
	USD thousands			
Balance as of January 1, 2025	43,194	4,047	90,451	137,692
Net profit	-	-	103,664	103,664
Other comprehensive income	-	-	(10)	(10)
Total comprehensive income	-	-	103,654	103,654
Dividend	-	-	(33,198)	(33,198)
Consideration from exercise of options	4,767	(1,033)	-	3,734
Cost of share-based payment	-	5,441	-	5,441
Capital raising, net of issuance expenses	398,367	-	-	398,367
Balance as of December 31, 2025	446,328	8,455	160,907	615,690

The accompanying notes constitute an integral part of these Condensed Interim Financial Statements.

Condensed Statements of Cash Flows

	For the three month period ended March 31		For the year ended March 31
	2026	2025	2025
	Unaudited		Audited
	USD thousands		
<u>Cash flows from operating activities</u>			
Net profit	38,263	20,573	103,664
Adjustments required to present cash (used in) provided by operating activities:			
Adjustments to profit or loss items:			
Depreciation and amortization	542	469	2,317
Income taxes	5,958	3,527	11,000
Share-based payment cost	2,817	976	5,441
Change in employee benefit liabilities, net	-	-	27
Finance expenses, net	(5,985)	(3,014)	(15,101)
Changes in asset and liability items:			
Increase in trade receivables	(13,969)	(1,265)	(5,713)
Increase in other accounts receivables	(634)	(2,659)	(3,435)
Increase in inventory	(8,391)	(6,872)	(31,202)
Increase in trade payables	1,351	1,256	2,837
Increase (decrease) in other payables	3,618	(2,643)	2,813
Cash provided by operations activities	23,570	10,348	72,648
Interest received	9,917	1,891	5,754
Interest paid	(109)	(69)	(285)
Taxes on income received	2,597	-	456
Income taxes paid	(4,628)	(1,369)	(14,933)
Net cash provided by operating activities	31,347	10,801	63,640
<u>Cash flows from investing activities</u>			
Investment in fixed assets	(268)	(103)	(341)
Investment in short-term deposits	(41,175)	(12,873)	(421,380)
Capitalized development costs	(1,522)	(967)	(2,495)
Net cash used in investing activities	(42,965)	(13,943)	(424,216)
<u>Cash flows from financing activities</u>			
Dividend	(51,832)	(33,198)	(33,198)
Exercise of share options into shares	6,172	2,251	3,734
Capital raising, net of issuance expenses	-	-	398,367
Repayment of lease liabilities	(48)	(98)	(414)
Net cash provided by (used in) financing activities	(45,708)	(31,045)	368,489
Increase (decrease) in cash	(57,326)	(34,187)	7,913
Exchange rate differences on cash balances	(146)	455	2,819
Cash at the beginning of period	85,440	74,708	74,708
Cash at the end of period	27,968	40,976	85,440

The accompanying notes constitute an integral part of these Condensed Interim Financial Statements.

Notes to the Condensed Interim Financial Statements

Note 1: General**a. The Company**

NextVision Stabilized Systems Ltd. (hereinafter: the “**Company**”), was incorporated in Israel in April 2009 and commenced its business operations in September 2009. The Company is domiciled in Israel and its address is 9 HaDafna Street, Ra'anana.

The Company is engaged in the development, production, and marketing of stabilized day and night cameras for ground and aerial vehicles such as micro and mini UAVs and drones. In addition to cameras, the Company develops ancillary products that significantly reduce the integration time of the cameras to the various platforms of its customers.

On June 14, 2021, the Company's securities began trading on the Tel Aviv Stock Exchange Ltd., following the completion of its first public offering under a prospectus on June 10, 2021.

On September 16, 2025, the Company completed a fundraising by way of a non-uniform offering to institutional investors (most of whom are foreign investors) in a total amount of approximately NIS 1,387 million (approximately USD 413.7 million).

b. Impact of the Iron Swords War

On October 7, 2023, following a surprise attack by the terrorist organization Hamas from the Gaza Strip, the Government of Israel declared the Iron Swords War. Following the attack from the Gaza Strip, an attack was also launched towards northern Israel by the terrorist organization Hezbollah from Lebanon, and tensions increased in additional areas. As part of its response to threats of the Iron Swords War, the Government of Israel ordered the evacuation of dozens of communities located in the south of the country, around the Gaza Strip, and in the north, along the border with Lebanon, and also imposed restrictions on gatherings, the operation of workplaces, and educational activities in accordance with the instructions of the Home Front Command. In addition, many citizens were called up for reserve duty for extended periods. These factors led to a reduction and slowdown in business activity in Israel, resulting, inter alia, from business closures, labor shortages, and disruptions in the supply chain.

On June 13, 2025, Israel launched Operation Rising Lion, with the objective of striking and destroying Iranian nuclear and weapons infrastructure. In response, Iran launched hundreds of missiles and unmanned aerial vehicles towards Israel, resulting in damage to infrastructure and loss of life. During the operation, Israel's airspace was closed, causing delays in receiving goods and in shipments to customers abroad. After the resumption of shipping company operations, most of the goods were released during the end of June and the beginning of July.

On February 28, 2026, Israel, together with the US, launched Operation Lion's Roar against the regime in Iran. In response, Iran launched missiles and other means towards Israel. On April 8, 2026, the US and Iran accepted the Pakistani proposal, which stipulates a bilateral ceasefire. As of the date of signing the financial statements, the ceasefire is generally being maintained and the Israeli economy is in a process of gradual return to routine, with most of the restrictions imposed by the Home Front Command being lifted. However, geopolitical tensions in the region remain high, and there is uncertainty regarding the long-term stability of the ceasefire and the formulation of permanent political arrangements.

Since the outbreak of the war, there has been an increase in orders for the Company's cameras and other products from its Israeli customers.

Even before the outbreak of the war, the Company increased its inventory and production capacity in order to meet the growing demand and maintain operational continuity. The Company is working to diversify suppliers, place long-term orders, and hold increased inventory of components that may be in short supply. As of the date of this Report, the Iron Swords War or Operations Rising Lion and Lion's Roar have not had a material impact on the Company's results or on its ability to deliver orders to its customers on time.

The Company continues to monitor the effects of the security and economic situation on its operations.

Notes to the Condensed Interim Financial Statements

Note 1: General (continued)

c. Tariffs on Goods Imported to the US

In April 2025, the US administration announced a plan to impose tariffs on goods imported into the US, which may also affect Israel's economy. According to the macroeconomic forecast of the Bank of Israel's Research Department from April 2025, the increase in tariffs worldwide will lead to a 4% decrease in global trade volume by the end of 2026 (compared to the scenario without tariffs). The plan includes two main components:

- a) A uniform tariff of 10% on all imports to the US.
- b) Additional varying tariffs on imports from countries with a significant trade surplus with the US.

As part of this plan, upon the start of its implementation, goods imported from Israel were subject to a 10% tariff under the uniform import tariff. As of August 7, 2025, imports from Israel to the US are subject to a total tariff rate of 15% (10% uniform + 5% variable based on country). In addition, under the tariff policy, there is an exemption from tariffs for goods that subcontractors purchase for the government.

During February 2026, the Supreme Court in the US ruled that most of the global tariffs imposed in the past year should be invalidated. In response, President Trump signed an executive order imposing a uniform global tariff of 10% for a period of 150 days, which within a day rose to a rate of 15%. Although part of the Company's revenues are derived from exports to the US, in the Company's assessment, the possible impact of the new tariff policy on its business results is low.

Note 2: Main Accounting Policies

Format of Preparation of the Interim Financial Statements

These financial statements were prepared in condensed format as of March 31, 2026 and for the three-month period ended on that date (hereinafter: "**Interim Financial Statements**"). These statements should be read in the context of the Company's annual financial statements as of December 31, 2025 and for the year then ended and the notes accompanying them (hereinafter: the "**Annual Financial Statements**").

The condensed interim financial statements comply with the provisions of International Accounting Standard 34 regarding interim financial reporting. In addition, the condensed interim financial statements comply with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

The condensed interim financial statements were prepared using the same accounting policy and calculation methods applied in the Annual Financial Statements.

Note 3: Cash

Composition:	As of March 31		For the year ended
	2026	2025	December 31, 2025
	Unaudited		Audited
	USD thousand		
In banks	11,266	5,773	11,172
Deposits *	16,702	35,203	74,268
	27,968	40,976	85,440

(*) Most of which are in dollar deposits for periods of three months, including a fixed interest rate ranging between 4.02%-4.5%.

Notes to the Condensed Interim Financial Statements

Note 4: Deposits

Composition	As of March 31		For the year ended
	2026	2025	December 31, 2025
	Unaudited		Audited
	USD thousands		
Short term deposits*	514,399	61,509	476,857
	514,399	61,509	476,857

(*) Most of which are in dollar deposits whose original period exceeds three months from the deposit date and do not exceed one year, including a fixed annual interest rate ranging between 4%-5%.

Note 5: Revenue from sales

A. Composition:	For the three month period ended March 31		For the year ended December
	2025	2024	31, 2025
	Unaudited		Audited
	USD thousands		
Sales in Europe	36,518	21,315	94,825
Sales in Israel	5,419	3,889	17,906
Sales in North America	21,496	8,195	49,099
Sales in other countries	3,956	2,764	6,524
	67,389	36,163	168,354

B. Additional information on revenues

	For the three month period ended March 31		For the year ended December
	2026	2025	31, 2025
	Unaudited		Audited
Revenue from main customers, each responsible for 10% or more of the total revenue reported in the financial statements:			
Customer A	13.9%	17.2%	19.5%
Customer B	25.5%	11.7%	11.5%
Customer C	22.3%	3.7%	15.5%

Notes to the Condensed Interim Financial Statements

Note 6: Significant events during the reporting period

- a. On January 5, 2026, the Company's Board of Directors approved the grant of 30,100 non-tradable options of the Company to Company officers. The options are exercisable into ordinary shares of the Company with a nominal value of NIS 0.00005 each. The options are exercisable in three tranches: the first tranche, constituting 50% of the grant, is exercisable two years after the grant date; the second tranche, constituting 25% of the grant, is exercisable three years after the grant date; and the third tranche, the remaining 25% is exercisable four years after the grant date, subject to the continued existence of employer-employee relations. The options will expire five years from the grant date.

The exercise price of each option granted is NIS 230 (approximately USD 72.1). The fair value of the grant on the date of approval by the Board of Directors was approximately NIS 90.95 per option (approximately USD 28.51).

The calculation was based on the following assumptions: standard deviation of 41.61%, risk-free interest rate of 3.55%, exercise period of five years, and the Company's share closing price on the Tel Aviv Stock Exchange on January 1, 2026, - NIS 230.

The grant of the options to the officers was approved at the general meeting held on February 12, 2026.

- b. On March 10, 2026, the Company's Board of Directors approved the distribution of a dividend in the amount of approximately USD 51,832 thousand (approximately USD 0.563 per share) which was paid during the month of March 2026.
- c. On March 10, 2026, the Company's Board of Directors approved the grant of 180,000 non-tradable options of the Company to Company employees. The options are exercisable into ordinary shares of the Company with a nominal value of NIS 0.00005 each. The options are exercisable in three tranches: the first tranche, constituting 50% of the grant, is exercisable two years after the grant date; the second tranche, constituting 25% of the grant, is exercisable three years after the grant date; and the third tranche, the remaining 25% is exercisable four years after the grant date, subject to the continued existence of employer-employee relations. The options will expire five years from the grant date.

The exercise price of each option granted is NIS 328.4 (approximately USD 106.2). The fair value of the grant on the date of approval by the Board of Directors was approximately NIS 137.4 per option (approximately USD 44.45).

The calculation was based on the following assumptions: standard deviation of 44.65%, risk-free interest rate of 3.59%, exercise period of five years, and the Company's share closing price on the Tel Aviv Stock Exchange on January 10, 2026, - NIS 328.4.

- d. On March 27, 2026, the Company's Board of Directors approved the grant of 27,500 non-tradable options of the Company to a Company employee. The options are exercisable into ordinary shares of the Company with a nominal value of NIS 0.00005 each. The options are exercisable in three tranches: the first tranche, constituting 50% of the grant, is exercisable two years after the grant date; the second tranche, constituting 25% of the grant, is exercisable three years after the grant date; and the third tranche, the remaining 25% is exercisable four years after the grant date, subject to the continued existence of employer-employee relations. The options will expire five years from the grant date.

The exercise price of each option granted is NIS 337.9 (approximately USD 108). The fair value of the grant on the date of approval by the Board of Directors was approximately NIS 142.67 per option (approximately USD 45.31).

The calculation was based on the following assumptions: standard deviation of 44.48%, risk-free interest rate of 3.88%, exercise period of five years, and the Company's share closing price on the Tel Aviv Stock Exchange on March 26, 2026, - NIS 337.9.

- e. During the period, Company employees exercised 968,887 options for Company shares for a total consideration of approximately USD 6,172 thousand.

Notes to the Condensed Interim Financial Statements

Note 6: Significant events during the reporting period (continued)

- f. On January 1, 2026, the Company entered into a lease agreement for an additional floor in the Company's office building, located at 9 HaDafna Street, Ra'anana. The additional floor has a total area of approximately 1,850 square meters.

The lease agreement for the additional floor is for a period of five years, until December 31, 2030. The lease agreement includes an option for the Company to extend the lease period by an additional 36 months, under the terms as detailed in the lease agreement.

As a result of the addition of the floor, the Company added an asset and a lease liability in the amount of approximately USD 1,878 thousand and the incremental interest rate was 8%. The option was not taken into account in determining the lease period, since the Company does not expect that it is reasonably certain that the option will be exercised.

Note 7: Events after the balance sheet date

- a. On May 10, 2026, the Company's Board of Directors approved the grant of 107,000 non-tradable options of the Company to Company employees. The options are exercisable into ordinary shares of the Company with a nominal value of NIS 0.00005 each. The options are exercisable in three tranches: the first tranche, constituting 50% of the grant, is exercisable two years after the grant date; the second tranche, constituting 25% of the grant, is exercisable three years after the grant date; and the third tranche, the remaining 25% is exercisable four years after the grant date, subject to the continued existence of employer-employee relations. The options will expire five years from the grant date.

The exercise price of each option granted is NIS 310 (approximately USD 106.6). The fair value of the grant on the date of approval by the Board of Directors was approximately NIS 134.76 per option (approximately USD 46.4).

The calculation was based on the following assumptions: standard deviation of 46.36%, risk-free interest rate of 3.97%, exercise period of five years, and the Company's share closing price on the Tel Aviv Stock Exchange on May 8, 2026, - NIS 310.

- b. On May 10, 2026, the Company's Board of Directors approved the grant of 32,500 non-tradable options of the Company to a Company officer. The options are exercisable into ordinary shares of the Company with a nominal value of NIS 0.00005 each. The options are exercisable in three tranches: the first tranche, constituting 50% of the grant, is exercisable two years after the grant date; the second tranche, constituting 25% of the grant, is exercisable three years after the grant date; and the third tranche, the remaining 25% is exercisable four years after the grant date, subject to the continued existence of employer-employee relations. The options will expire five years from the grant date.

The exercise price of each option granted is NIS 316.65 (approximately USD 108.9). The fair value of the grant on the date of approval by the Board of Directors was approximately NIS 132.81 per option (approximately USD 45.7).

The calculation was based on the following assumptions: standard deviation of 46.36%, risk-free interest rate of 3.97%, exercise period of five years, and the Company's share closing price on the Tel Aviv Stock Exchange on May 8, 2026, - NIS 310.

The grant of options to the officer is subject to the commencement of her tenure and her employment with the Company on the grant date. In addition, the grant is subject to obtaining the approval of the Company's General Meeting of shareholders.

NextVision Stabilized Systems Ltd.

Quarterly Report

As of March 31, 2026

**Quarterly Report Regarding the Effectiveness of Internal Control
over Financial Reporting and Disclosure pursuant to Article 38C(a)**

Quarterly Report Regarding the Effectiveness of Internal Control over Financial Reporting and Disclosure pursuant to Article 38C(a) as of March 31, 2026

Management, under the supervision of the Board of Directors of NextVision Stabilized Systems Ltd. (hereinafter: the “**Company**”), is responsible for the establishment and maintenance of adequate internal control over financial reporting and disclosure in the Company.

In this context, the members of Management are:

1. Michael Grosman, Chief Executive Officer;
2. Alex Lavie, Chief Financial Officer;

Internal control over financial reporting and disclosure includes controls and procedures existing in the Company, which were designed by the Chief Executive Officer and the most senior officer in the finance function or under their supervision, or by those actually performing said functions, under the supervision of the Company’s Board of Directors. These controls and procedures are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with legal requirements, and to ensure that information the Company is required to disclose in its reports pursuant to legal provisions is collected, processed, summarized, and reported in a timely manner and in the format prescribed by law.

Internal control includes, inter alia, controls and procedures designed to ensure that the information the Company is required to disclose as stated above is accumulated and conveyed to the Company’s Management, including the Chief Executive Officer and the most senior officer in the finance function or those actually performing said functions, in order to allow for timely decision-making with respect to the disclosure requirement.

Due to its inherent limitations, internal control over financial reporting and disclosure is not intended to provide absolute assurance that misstatements or omissions in the reports will be prevented or detected.

Management, under the supervision of the Board of Directors, conducted a review and evaluation of the internal control over financial reporting and disclosure in the Company and its effectiveness.

The evaluation of the effectiveness of internal control over financial reporting and disclosure conducted by Management under the supervision of the Board of Directors included: an assessment of reporting and disclosure risks, process mapping and identification of material processes for financial reporting and disclosure, examination and documentation of the existing controls in the Company, and an overall evaluation of the effectiveness of internal control, including entity-level controls (ELC), the financial reporting process, and general IT controls (ITGC) of the Company’s information systems. The material processes for financial reporting include controls over the sales process and inventory process.

As of the date of the report, no event or matter has come to the attention of the Board of Directors and Management that would change the evaluation of the effectiveness of the internal control as found in the last report regarding internal control.

Based on the evaluation of effectiveness conducted by Management under the supervision of the Board of Directors as detailed above, the Board of Directors and Management of the Company have concluded that the internal control over financial reporting and disclosure in the Company as of March 31, 2026 is effective.

(a) Statement of the Chief Executive Officer pursuant to Article 38C(d)(1)

Officers' Statement

Statement of the Chief Executive Officer

I, Michael Grosman, declare that:

1. I have reviewed the Quarterly Report of NextVision Stabilized Systems Ltd. (hereinafter: the "**Company**") for the first quarter of 2026 (hereinafter: the "**Reports**");
2. To the best of my knowledge, the Reports do not contain any untrue statement of a material fact or omit a material fact required such that, in light of the circumstances under which such statements were made, the statements included therein would not be misleading with respect to the Report Period;
3. To the best of my knowledge, the financial statements and other financial information included in the Reports fairly present in all material respects the financial condition, results of operations, and cash flows of the Company as of the dates and for the periods to which the Reports relate;
4. I have disclosed to the Company's independent auditor, the Board of Directors, and the Audit Committee and Financial Statements Committee of the Company, based on my most recent evaluation of internal control over financial reporting and disclosure:
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure which are reasonably likely to adversely affect the Company's ability to record, process, summarize, or report financial information in a manner that would raise doubt as to the reliability of the financial reporting and the preparation of the financial statements in accordance with legal requirements; and
 - b. Any fraud, whether material or not, involving the Chief Executive Officer or any person directly subordinate to him, or any other employees with a significant role in internal control over financial reporting and disclosure;
5. I, alone or together with others in the Company:
 - a. Established controls and procedures, or ensured the establishment and maintenance of controls and procedures under my supervision, designed to ensure that material information relating to the Company is made known to me by others within the Company, particularly during the period in which the Reports were being prepared; and
 - b. Established controls and procedures, or ensured the establishment and maintenance of controls and procedures under my supervision, designed to reasonably ensure the reliability of financial reporting and the preparation of the financial statements in accordance with legal requirements, including generally accepted accounting principles.

- c. No event or matter has come to my attention that occurred during the period between the date of the last quarterly report and the date of this Report, which would change the conclusion of the Board of Directors and Management regarding the effectiveness of the internal control over financial reporting and disclosure of the corporation.

Nothing in the above shall derogate from my responsibility or the responsibility of any other person under any law.

May 10, 2026

Date

Michael Grosman
CEO

(b) Statement of the Most Senior Officer in the Finance Function pursuant to Article 9B(d)(2)

Officers' Statement

Statement of the Most Senior Officer in the Finance Function

I, Alex Lavie, declare that:

1. I have reviewed the interim financial statements and other financial information included in the interim period reports of NextVision Stabilized Systems Ltd. (hereinafter: the "**Company**") for the first quarter of 2026 (hereinafter: the "**Reports**" or "**Interim Period Reports**");
2. To the best of my knowledge, the interim financial statements and other financial information included in the Interim Period Reports do not contain any untrue statement of a material fact or omit a material fact required such that, in light of the circumstances under which such statements were made, the statements included therein would not be misleading with respect to the Report Period;
3. To the best of my knowledge, the interim financial statements and other financial information included in the Interim Period Reports fairly present in all material respects the financial condition, results of operations, and cash flows of the Company as of the dates and for the periods to which the Reports relate;
4. I have disclosed to the Company's independent auditor, the Board of Directors, and the Audit Committee and Financial Statements Committee of the Company, based on my most recent evaluation of internal control over financial reporting and disclosure:
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure, to the extent it relates to the interim financial statements and other financial information included in the Interim Period Reports, which are reasonably likely to adversely affect the Company's ability to record, process, summarize, or report financial information in a manner that would raise doubt as to the reliability of the financial reporting and the preparation of the financial statements in accordance with legal requirements; and
 - b. Any fraud, whether material or not, involving the Chief Executive Officer or any person directly subordinate to him, or any other employees with a significant role in internal control over financial reporting and disclosure;
5. I, alone or together with others in the Company:
 - a. Established controls and procedures, or ensured the establishment and maintenance of controls and procedures under my supervision, designed to ensure that material information relating to the Company, is made known to me by others within the Company, particularly during the period in which the Reports were being prepared; and

- b. Established controls and procedures, or ensured the establishment and maintenance of controls and procedures under our supervision, designed to reasonably ensure the reliability of financial reporting and the preparation of the financial statements in accordance with legal requirements, including generally accepted accounting principles.
- c. No event or matter has come to my attention that occurred during the period between the date of the last quarterly report and the date of this Report, relating to the interim financial statements and any other financial information included in the Interim Period Reports, which would, in my estimation, change the conclusion of the Board of Directors and Management regarding the effectiveness of the internal control over financial reporting and disclosure of the corporation.

Nothing in the above shall derogate from my responsibility or the responsibility of any other person under any law.

May 10, 2026

Date

Alex Lavie

CFO