

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

May 11, 2026

To
Securities Authority
www.isa.gov.il

To
Tel-Aviv Stock Exchange Ltd.
www.tase.co.il

Subject: Immediate report regarding a non-material private placement

Further to the Company's employee prospectus¹ according to which the Company is entitled to allocate warrants to Company employees, all as specified in the prospectus, the Company hereby announces that at the Company's Board of Directors meeting held on May 10, 2026, it was decided to approve the allocation, for no consideration, of 107,000 non-tradable warrants of the Company (hereinafter: the "**Warrants**" or the "**Offered Warrants**"), exercisable into 107,000 ordinary shares of NIS 0.00005 par value of the Company, to 14 Company employees² (hereinafter: the "**Offerees**"), none of whom are interested parties in the Company by virtue of their holdings in the Company's shares, as the term is defined in the TASE Regulations of the Tel-Aviv Stock Exchange Ltd. (hereinafter: "**the TASE**") and who will not be interested parties in the Company by virtue of share holdings, if and to the extent that the warrants offered to them are exercised, as specified below:

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

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 the term is defined in Section 1(270) of the Companies Law, 1999 (hereinafter: "**the Companies Law**") and will not become an interested party in the Company if and to the extent that they exercise the warrants allocated to them (if allocated).

1. Terms of the Offered Warrants, their quantity and their rate of the Company's capital and voting rights therein

1.1 Exercise price:

Each of the warrants will be exercisable into a Company share, from the date of allocation until the end of 60 months (five years) from the date of allocation in exchange for an unindexed exercise price of NIS 310 per share.

Assuming full exercise of all warrants, the aforementioned warrants will constitute approximately 0.12% of the Company's capital and voting rights (approximately 0.11% on a fully diluted basis).

1.2 Warrant vesting schedule

Subject to the following, each of the Offerees will be able to exercise the warrants allocated to him, into Company shares, as follows:

- (a) 50% of the warrants allocated to him – after two years from the warrant allocation date.
- (b) 25% of the warrants allocated to him – after three years from the warrant allocation date.
- (c) 25% of the warrants allocated to him – after four years from the warrant allocation date.

Which was published on November 9, 2025 (Reference No.: 2025-01-085213), the entire contents of which are brought to this immediate report by way of reference (hereinafter: the "**Prospectus**").

² Between whom and the Company employee-employer relations exist.

In accordance with the above and subject to the provisions of the program, starting from the end of four years from the date of their allocation, all the warrants will be exercisable into shares of the company.

1.3 Exercise Period

Each warrant shall be exercisable (subject to its vesting) from the date of its allocation until the end of 60 months (five years) from the date of its allocation (hereinafter: "**Exercise Period**" and "**Expiration Date**", respectively).

1.4 Rights of Exercise Shares

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

1.5 Fractional Shares

The company will not allocate fractional shares in respect of the exercise of the offered warrants, 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 warrants to the offerees until the end of the exercise period, the exercise price and/or the number of shares to be allocated in respect of the exercise of each warrant will be adjusted in the following cases and manner, provided that the record date for the cases detailed 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 a consolidation, split, or reorganization of capital or similar circumstances, then the company will update the quantity of shares resulting from the exercise of each warrant allocated and/or the exercise price of the allocated warrants such that the total consideration for the exercise of the allocated warrant will not change.

B. Bonus share distribution – If the company distributes bonus shares to the shareholders for which the record date for entitlement to participate in their distribution falls before the exercise of the warrants, the offerees' rights will be preserved such that immediately after the record date for the bonus share distribution, the number of shares resulting from the exercise of the warrants that the offerees are entitled to upon exercise will increase by adding the number of shares the offerees would have been entitled to as bonus shares if they had exercised the warrant (not yet exercised) immediately before the record date. The exercise price of each warrant will not change as a result of adding shares as aforementioned. The provisions referring to the exercise shares will also apply to the shares added to the exercise shares as stated in this sub-section above, subject to the necessary changes. In the case of adjustments under this sub-section, the offerees will not be entitled to receive a fraction of one 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 issuance.

1.7 Allocation of warrants and exercise shares to the trustee and the offerees

The Trustee who was appointed by the Board of Directors is Altsher Ltd. (above and below: "**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 drafted between him and the Company.

The warrants shall be allocated to the offerees who are employees of the Company in accordance with the provisions of Section 102 of the Ordinance under the capital gains track. Accordingly, the warrants shall be allocated in the name of the Trustee, shall be deposited and held in his hands for the offerees, and shall be registered in his name in the register of members of the Company, unless otherwise agreed between the Company and the offerees, for a period that shall not be less than 24 months from the end of the tax year in which the warrants were allocated for the offerees and deposited with the Trustee, as stipulated in Section 102, or any other period as may be determined by law (above and below: "**the Restriction Period**"). In the event that the warrants are exercised before the end of the restriction period, they shall be deposited in a trust account in the name of the Trustee and held in his hands for the offerees.

The Trustee shall not transfer exercise shares to the offerees before the end of the restriction period and before receiving the Company's confirmation regarding the payment of the exercise price to the Company.

The granting of the warrants to the offerees in accordance with the plan shall be performed through the delivery of 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 suspensive conditions. The allocation notice shall include, among other things, details regarding the exercise price of the allocated warrants, their expiration date, and their entitlement dates.

1.8 Entitlement to the Offered Warrants

Subject to the restriction period, as defined above, the offerees shall be entitled to receive and/or exercise, as applicable, the warrants that will be allocated for them, in whole or in part, in accordance with the entitlement dates that will be detailed in the allocation notice (hereinafter: "**the Entitlement Dates**"). Subject to the entitlement dates, the offerees shall be entitled to exercise the warrants allocated for them, in whole or in part, into Company shares on any business day until their expiration date. Warrants that are not exercised by the expiration date shall expire and shall not grant the offerees any rights, subject to the provisions of the plan.

From the end of the restriction period, and subject to the plan (unless otherwise agreed between the Company and the offerees), the offerees shall be entitled, at any time, to demand from the Trustee to transfer the warrants to which they are entitled to their name and/or to transfer the exercise shares to an account owned by them (hereinafter together: "**the securities**"), in whole or in part, provided that the Trustee shall not transfer the securities as aforesaid except after the applicable tax by law (namely, according to Section 102 of the Ordinance and/or the regulations thereunder and/or the rules (hereinafter: "**the Applicable Tax**")) has been paid and the Trustee is provided with confirmation from the Assessing Officer regarding the tax payment or, alternatively, after the Company and/or the Trustee deduct the applicable tax in connection with the said securities as required by law.

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

It is hereby clarified that the Trustee shall not transfer warrants allocated to him and/or exercise shares to the offeree before the end of the restriction period and/or if the entitlement dates

applicable to these securities have not yet passed, as applicable, and the offeree shall not be entitled to such transfer.

Notwithstanding the above, if the offeree requests the trustee to transfer the warrants and/or exercise shares, in whole or in part, to which he is entitled, before the end of the lock-up period, the offeree's income from the allocation of the warrants will be considered income as stated in section 102(b)(4) of the Ordinance. In accordance with the above, 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 on them and the trustee has been provided with a certificate from the Assessing Officer regarding the payment of the tax or alternatively, after the company and/or the trustee deduct the applicable tax in connection with the said securities as required by law.

1.9 Taxation

The offeree shall bear all tax liabilities, levies, compulsory payments imposed by the tax authorities (whether in Israel or abroad) and any other compulsory payment or charge, which may accrue to the offeree and/or the company and/or the trustee in respect of the allocation of the warrants, the exercise of the warrants and the holding or transfer or sale of the exercise shares by or for the offerees.

1.10 Allocation of the Exercise Shares

All shares resulting from the exercise of the warrants shall be allocated in the company's name to the records of the Tel Aviv Stock Exchange Ltd. to the credit of a stock exchange member's account in which the trustee's account or the account of any of the offerees will be managed, as the case may be.

1.11 Provisions 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 they may be from time to time. In accordance with the above, as long as it is not otherwise stated in the TASE Regulations and the guidelines thereunder, no exercise shall occur on the record date for a bonus share distribution, a rights offering, a dividend distribution, a reverse stock split, a stock split, or a capital reduction (each of the above will hereinafter be called: a "Company Event"); if the ex-date of a Company Event occurs before the record date of a Company Event, no exercise shall be performed on said ex-date.

2. Share Price on the Stock Exchange

The closing price of the company's share on the stock exchange on May 8, 2024 (the trading day preceding the date of the board of directors' decision to approve the allocation) stood at a total of 310 NIS, and is identical to the exercise price of the offered warrants.

3. Consideration

The warrants shall be allocated to the offerees for no consideration. The exercise price of the offered warrants was determined by the company's board of directors with the aim of sharing the company's equity with the offerees and creating an incentive among the offerees to maximize 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 between the offerees, all or some of them, among themselves or between them and others, regarding the purchase or sale of securities of the company or regarding voting rights in the company.

5. Prevention or Restriction on Performing Actions in the Offered Warrants and the Exercise Shares

(a) The rights of the offerees regarding the warrants and/or the exercise shares, in whole or in part, as long as the warrants and/or the exercise shares, respectively, have not been transferred to them from the trustee and registered in their name, are personal and are not divisible, waiveable in favor of another, transferable, assignable, pledgeable, subject to a lien, attachment or other encumbrance, whether voluntary or by operation of law, except for transfer by virtue of a will or inheritance laws (subject to their entitlement to the said securities) and no power of attorney or transfer deed shall be given in respect thereof, whether its validity is immediate or at a future date, except as expressly stated in the plan.

(b) As detailed in section 1.7 above, the warrants shall be allocated in the name of the plan trustee, deposited and held 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 warrants intended for him, for the duration of the lock-up period (as defined in section 1.7 above).

(c) Each offeree may exercise the warrants 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), 5760-2000, the following shall be considered a public offering by the offerees:

(a) An offer during trading on the stock exchange of the exercise shares that will be allocated to them, if six months have not yet passed since the day they were allocated (hereinafter: the "**Absolute Lock-up Period**");

(b) An offer during trading on the stock exchange of the exercise shares that will be allocated to them, if six consecutive quarters have not yet passed, to be counted from the end of the period mentioned in paragraph (a) above (hereinafter: the "**Drip Period**"), provided that during the Drip Period one of the following occurred:

(1) During the Drip Period, the quantity of warrants offered on each trading day on the stock exchange exceeded the daily average of the trading volume of the warrants on the stock exchange during the eight-week period preceding the date of the offer;

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

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

(c) The above shall also apply to exercise shares that are 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.

The allocation of the warrants for the offerees shall be carried out only after the offerees undertake and declare to the company that they undertake to act regarding the allocated shares in a manner that will not be considered a public offering, as stated in the Securities Law.

6. Warrant Allocation Date

The said warrants shall be allocated within 30 business days after receiving all the necessary approvals for their allocation (with respect to each offeree individually).

Sincerely,

Next Vision Stabilized Systems Ltd.

Signed by: Chen Golan, Chairman of the Board of Directors

