



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

**Board of Directors' Report on the Corporation's Affairs
For the Three-Month Period Ended on March 31, 2025**

The Board of Directors of NextVision Stabilized Systems Ltd. (hereinafter: the “**Company**”) is hereby honored to submit the Board of Directors' Report on the Corporation's Affairs as of March 31, 2025 (hereinafter: the “**Report Date**”) and for the three-month period ended March 31, 2025 (hereinafter: the “**Report Period**”), prepared pursuant to the Securities Law (Periodic and Immediate Reports), 5730-1970 (hereinafter: the “**Reporting Articles**”).

The scope of this Report is limited and it has been prepared based on the assumption that its readers have access to the Company's annual reports for the year 2024 (Reference No.: 2025-01-016228), including the Board of Directors' Report on the Corporation's Affairs for the year ended December 31, 2024 (hereinafter: the “**Periodic Report**”).

Part A – Board of Directors' Explanations Regarding the Company's Business

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 that develops, manufactures, and markets 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 systems providers who, in turn, sell their products to end users.

The Company offers several products (cameras and accessories) in the weight range of 2 kg to 115 grams.

The Company has developed a unique “image stabilization engine,” based on a registered patent, which enables it to produce stabilized cameras with one of the best weight/size-to-performance ratios in the world. Unlike some of its competitors, who attempt to miniaturize existing technologies to produce small cameras, the Company has opted for an innovative solution through “outside-the-box” thinking—combining mechanical stabilization (miniature gimbals) with electronic stabilization (a hardware “engine”) that enables real-time image stabilization, thereby maintaining its uniqueness and a significant edge over its competitors. The demand for image stabilization becomes more challenging as the camera becomes



smaller and lighter and as zoom requirements increase. The technology developed by the Company enables deep zooming from moving platforms while still providing the user with a stable image. The size and weight-to-performance ratio, along with competitive pricing, are among the best in the market.

The Company's technology includes the development of day cameras, night cameras, miniaturized gimbals, communication capabilities, geographic pointing, tracking, and additional capabilities that fulfill its customers' needs—making it a one-stop shop for companies manufacturing ground and aerial platforms requiring stabilized optical systems.

In addition to cameras, the Company develops complementary products that significantly reduce the integration time of the cameras onto the customers' platforms, thereby saving customers significant costs and enabling a quicker time to market.

The Company invests considerable 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 Impacts of the Iron Swords War

On October 7, 2023, following a surprise attack by the Hamas terrorist organization from the Gaza Strip, the Israeli government declared the "Iron Swords" war. Following the attack from Gaza, an additional front opened in northern Israel by the Hezbollah terrorist organization from Lebanon, and tensions increased across other regions. As part of the response to the threats posed by the Iron Swords War, the Israeli government ordered the evacuation of dozens of communities in southern Israel near the Gaza Strip and in northern Israel along the Lebanese border. It also imposed restrictions on public gatherings, workplace activities, and educational activities in accordance with Home Front Command guidelines. In addition, many civilians were called up for extended reserve duty. These factors led to a reduction and slowdown in business activity in Israel, caused among other things by business closures, labor shortages, and supply chain disruptions. Potential fluctuations in commodity prices, foreign exchange rates, material availability, labor availability, local services, and access to local resources may affect entities whose primary activity is in or with Israel.

In April 2025, the Bank of Israel's Research Department updated its macroeconomic forecast¹. According to the report, GDP is expected to grow by 3.5% in 2025 and by 4.0% in 2026. The inflation rate for the next four quarters (ending in Q1 2026) is expected to be 2.5%. For the year 2025, inflation is expected to be 2.6%, and in 2026, 2.2%. The interest rate in the first quarter of 2026 is expected to average 4.0%. This forecast was prepared under the assumption that renewed fighting in Gaza would not extend beyond the second quarter of

¹ See on the website of Bank of Israel, at <https://www.boi.org.il>.



2025 and that during this period there would be no significant restrictions on civilian activity (unlike at the start of the war).

On August 12, 2024, Fitch downgraded Israel's credit rating to A (with a negative outlook). On September 27, 2024, the international rating agency Moody's announced a two-notch downgrade of Israel's credit rating from A2 to Baa1 with a negative outlook. This followed a downgrade on February 9, 2024, when Moody's downgraded Israel's rating from A1 to A2 with a continued negative outlook. Additionally, shortly after Moody's downgrade, S&P also announced a one-notch downgrade of Israel's credit rating from A+ to A with a negative outlook, after having already downgraded the rating once earlier in 2024.

On October 1, 2024, Moody's also announced a one-notch downgrade of the credit rating of Israel's five largest banks from A3 to Baa1 and maintained a negative outlook, in line with the downgrade of the sovereign rating.

According to Moody's, the downgrades and the negative outlook reflect both the negative outlook on the sovereign credit rating of the State of Israel and concerns over the worsening condition of the banks themselves, should the economic impact of the war intensify.

Since the beginning of the war, there has been an increase in orders for the Company's cameras and other products from its customers. Additionally, last year, prior to the outbreak of the war, the Company increased its inventory to maintain flexibility, responsiveness, and readiness for increased customer orders. The Company is continuously expanding its production capacity to meet the growing demand while continuing to deliver customer orders on time. As of this date, the war has had no material impact on the Company's results or its ability to fulfill customer orders on time. The Company continues to monitor the economic and wartime situation and its impact on business operations. Nevertheless, due to the uncertainty surrounding the scope and duration of the war, the extent of reserve duty mobilization, the continued supply of inventory from suppliers, market volatility, additional measures by the Israeli government, and the impact of other factors, including those affecting the business operations of the Company's customers, the Company is currently unable to accurately assess the scope or nature of any future impacts the war may have on its results.

The Company's above assessments regarding the future impacts of the war in Israel constitute forward-looking information, as defined under the Securities Law, based on the Company's assessments as of the date of this Report. The actual impact of the war on the Company's condition and the macroeconomic and/or monetary policy situation in Israel may differ materially from the Company's assessments and is not solely within the Company's control. This is due, among other things, to a potential economic slowdown in Israel, escalation of the war, one or more of the aforementioned factors

related to the war, and macroeconomic changes that may affect the Company's operations.

Impact of the Russia-Ukraine War on the Company's Operations

The Russia-Ukraine war, which began in February 2022, as well as the global "heating up" of the defense market, have led a significant number of governments to announce their intention to significantly increase their defense and military procurement budgets. The war in Ukraine, like the "Iron Swords" war, has highlighted the accelerated use of loitering munitions, UAVs, and small reconnaissance drones for field operations. In light of this trend, the Company is in fact experiencing an increase in demand for its solutions across all sectors and anticipates continued interest in its products.

The information regarding the Company's expectations about increased demand for its products as a result of the war in Ukraine constitutes forward-looking information, as defined in the Securities Law, which is not solely within the Company's control. This information is based on data currently in the Company's possession as well as publications issued and published by professional entities related to the Company's field of activity, as of the date of this Periodic Report. The information is merely an estimate, which may not materialize or may materialize only partially or differently, among other things due to changes in the industry and influencing factors. Accordingly, actual results may differ from the above estimates and may also differ materially due to external factors impacting 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 adds new customers to its customer base each year. Due to numerous market, technological, and regulatory changes, there is a growing trend in the number of small platforms requiring stabilized imaging solutions.
- 2.2. During the Report Period, the Company's sales grew by approximately 33% compared to the same period last year. During the Report Period, the number of customers to whom the Company sold its products totaled 111, compared to 105 customers in the corresponding period last year. As of the Report Date, the Company's order backlog amounts to approximately USD 123.2 million.
- 2.3. On January 7, 2025, the Company received a purchase order from a third party unrelated to the Company and/or its interested parties, for the purchase of cameras and other products of the Company in consideration for a total of approximately USD 12.1 million (excluding VAT). For further details, see the Immediate Report of the Company dated January 7, 2025 (Reference No.: 2025-01-001890), while the information therein is included in this Board of Directors' Report by way of reference.

- 2.4. On January 16, 2025, the Company received two purchase orders from two customers unrelated to the Company and/or its interested parties, for the purchase of cameras and other products of the Company in consideration for a total of approximately USD 3 million (excluding VAT). For further details, see the Immediate Report of the Company dated January 16, 2025 (Reference No.: 2025-01-004754), while the information therein is included in this Board of Directors' Report by way of reference.
- 2.5. On February 3, 2025, the Company received a purchase order from a third party unrelated to the Company and/or its interested parties, for the purchase of cameras and other products of the Company in consideration for a total of approximately USD 11.2 million (excluding VAT). For further details, see the Immediate Report of the Company dated February 4, 2025 (Reference No.: 2025-01-008503), while the information therein is included in this Board of Directors' Report by way of reference.
- 2.6. On February 11, 2025, the Company received a purchase order from a third party unrelated to the Company and/or its interested parties, for the purchase of cameras of the Company in consideration for a total of approximately USD 1 million (excluding VAT). For further details, see the Immediate Report of the Company dated February 12, 2025 (Reference No.: 2025-01-010172), while the information therein is included in this Board of Directors' Report by way of reference.
- 2.7. On February 13, 2025, the Company received a purchase order from a third party unrelated to the Company and/or its interested parties, for the purchase of cameras of the Company in consideration for a total of approximately USD 3.2 million (excluding VAT). For further details, see the Immediate Report of the Company dated February 16, 2025 (Reference No.: 2025-01-010758), while the information therein is included in this Board of Directors' Report by way of reference.
- 2.8. On February 20, 2025, the Company received a purchase order from a third party unrelated to the Company and/or its interested parties, for the purchase of cameras of the Company in consideration for a total of approximately USD 1.75 million (excluding VAT). For further details, see the Immediate Report of the Company dated February 20, 2025 (Reference No.: 2025-01-011848), while the information therein is included in this Board of Directors' Report by way of reference.
- 2.9. On March 4, 2025, the Company received a purchase order from a third party unrelated to the Company and/or its interested parties, for the purchase of cameras of the Company in consideration for a total of approximately USD 1.34 million (excluding VAT). For further details, see the Immediate Report of the Company dated March 5, 2025 (Reference No.: 2025-01-014518), while the information therein is included in this Board of Directors' Report by way of reference.

- 2.10. On March 13, 2025, the Company received a purchase order from a third party unrelated to the Company and/or its interested parties, for the purchase of cameras of the Company in consideration for a total of approximately USD 2.15 million (excluding VAT). For further details, see the Immediate Report of the Company dated March 12, 2025 (Reference No.: 2025-01-016678), while the information therein is included in this Board of Directors' Report by way of reference.
- 2.11. On October 16, 2024, the Company entered into an agreement with an existing customer of the Company. On December 27, 2024, a purchase order was received pursuant to said agreement, for the purchase of cameras and additional products of the Company, in consideration for a total of approximately USD 30 million (hereinafter: the "Consideration" and the "Agreement," respectively). The Company's management exercised its authority under Article 36(b) of the Securities Law (Periodic and Immediate Reports), 5730-1970, to delay the reporting of the Company's entry into the Agreement due to concerns that the publication of an immediate report about the transaction might jeopardize the entire transaction and/or worsen its terms and materially harm the conditions of the transaction, thereby causing significant damage to the Company. Once the reason for delaying the report was removed, the restriction on reporting the execution of the Agreement was lifted, as noted in the Immediate Report. For further details, see the Immediate Report of the Company dated March 13, 2025 (Reference No.: 2025-01-016909), while the information therein is included in this Board of Directors' Report by way of reference.
- 2.12. On March 9, 2025, the Company's Board of Directors resolved to raise the Company's reporting threshold to orders amounting to at least NIS 2 million, replacing the previous threshold of NIS 1 million.
- 2.13. On March 24, 2025, the Company allocated 273,000 options to employees and officers of the Company. For further details, see the Immediate Reports dated March 24, 2025 (Reference No.: 2025-01-019785) and March 10, 2025 (Reference No.: 2025-01-015586), while the information therein is included in this Board of Directors' Report by way of reference.
- 2.14. On March 26, 2025, the Company distributed a dividend to its shareholders in the amount of approximately USD 33,198 thousand. For further details, see the Immediate Reports of the Company dated March 10, 2025, and March 16, 2025 (Reference Nos.: 2025-01-015634 and 2025-01-017346, respectively), while the information therein is included in this Board of Directors' Report by way of reference.
3. **Board of Directors' Explanations Regarding the Company's Business, Results of Operations, Equity and Cash Flows**

3.1. Financial Condition

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

Presented below are the main developments in the items of the Statement of Financial Position (in thousands of USD):

Section	Balance as of (in USD thousands)			Explanations from the Company's Board of Directors about the Changes
	March 31		December 31, 2024	
	2025	2024		
Cash	40,976	69,895	74,708	See cash flow analysis in Section 3.3 below.
Shorts term deposits	61,509	-	47,903	Due to the decline in dollar interest rates and the Company's desire to maintain high interest rates, the Company closed deposits for a period of up to one year.
Trade receivables	7,639	6,758	6,374	The increase in customers compared to the same period last year is due to an increase in sales volume during the period.
Current taxes receivable	-	98	1,054	The increase in current taxes payable compared to current taxes receivable last year is due to a higher tax provision on advances paid during the period.
Other accounts receivable	4,499	1,244	1,840	The increase in receivables compared to the same period last year is mainly due to an increase in advances to suppliers for procurement needs for 2025 and 2026.
Inventory	29,258	14,768	22,386	The increase compared to the same period last year is due to the Company's equipping itself in line with the increase in sales, as well as it equipping itself with components in which the Company identified a shortage in the market.
Total current assets	143,881	92,763	154,265	
Fixed assets	810	459	749	The increase in fixed assets compared to the same period last year is due to the move to new offices and their adaptation to the Company's needs.
Right of use asset	3,413	646	514	The increase is due to the leasing of new offices and the signing of a long-term lease agreement in order to support the growth rate of the Company's activities.
Intangible assets	4,394	2,640	3,628	The increase is due to the capitalization of new developments of cameras and accessories during the period, net of current depreciation.
Total non-current assets	8,617	3,745	4,891	
Trade payables	7,098	5,987	5,842	The increase in suppliers stems from an increase in the scope of production activity and component procurement.
Current taxes	1,023	-	-	The increase in current taxes payable compared to current taxes receivable last year is due to a

payable				higher tax provision on advances paid during the period.
Other accounts payable	12,141	8,468	15,024	The decrease compared to December 2024 is due to the payment of bonuses to employees for 2024 and a decrease in advances from customers.
Total current liabilities	20,262	14,455	20,866	
Lease liabilities	3,374	285	111	The increase is due to moving to new offices and signing a long-term lease agreement.
Employee benefit liabilities, net	114	91	114	Without material change.
Deferred taxes	454	251	373	The change is due to an increase in the intangible asset due to timing differences.
Total non-current liabilities	3,942	627	598	

3.2. Results of Operations

Presented below are explanations of the main developments in the Company's results of operations (in thousands of USD):

Section	For a period of three months ended on March 31		For the year ended on December 31, 2024	Explanations from the Company's Board of Directors about the Changes
	2025	2024		
USD thousands				
Income from sales	36,163	27,223	114,934	The increase in revenue stems from a quantitative increase in the number of customers and units sold.
Cost of sales	(9,675)	(8,016)	(32,044)	The improvement in gross profitability stems from streamlining processes on the production line and in manpower, and the reduction of price of parts and components due to an increased volume ordered by the Company.
Gross profit	26,488	19,207	82,890	
Research and development expenses	(952)	(719)	(2,517)	The increase compared to the same period last year stems from increased development efforts and improvements to the Company's various products, mainly through standard additions in the development departments.
Sales and marketing expenses	(447)	(483)	(1,639)	Without material change.

Section	For a period of three months ended on March 31		For the year ended on December 31, 2024	Explanations from the Company's Board of Directors about the Changes
	2025	2024		
USD thousands				
General and administrative expenses	(2,887)	(2,073)	(5,730)	The increase compared to the same period last year is due to an update of management compensation agreements and an increase in share-based payment.
Operating profit	22,202	15,932	73,004	
Financing expenses	(32)	(91)	(430)	The change arises mainly from exchange rate differences.
Financing income	1,930	910	4,330	The increase in financing income compared to the corresponding period last year stems from an increase in the volume of bank deposits.
Profit before tax	24,100	16,751	76,904	
Income tax	(3,527)	(2,205)	(10,508)	The increase in income taxes stems from the increase in activity during the period.
Net profit	20,573	14,546	66,396	
Loss from re-measurement of defined benefit plans	-	-	(16)	
Total comprehensive income	20,573	14,546	66,380	

3.3. Cash Flows and Liquidity

As of March 31, 2025, the Company had cash balances totaling approximately USD 40,976 thousand. The main components of the Company's cash flows are as follows:

Section	For a period of three months ended on March 31		For the year ended on December 31, 2024	Explanations from the Company's Board of Directors about the Changes
	2025	2024		
USD thousands				
Current activity	10,801	15,560	68,413	The decrease in current activities stems from significant purchases of inventory and deposits of advances to suppliers that the Company made during the period in order to support the Company's activities in 2025 and 2026.

Section	For a period of three months ended on March 31		For the year ended on December 31, 2024	Explanations from the Company's Board of Directors about the Changes
	2025	2024		
USD thousands				
Investment activity	(13,943)	(547)	(50,096)	The increase in investment activity was due to deposits into short-term bank deposits.
Financing activity	(31,045)	(13,644)	(11,739)	The increase in financing activity is due to the increase in the dividend distribution in 2025 compared to the dividend distributed in 2024.
Cash balance at the end of the period	40,976	69,895	74,708	

3.4. Sources of Financing

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

Due to the Company's consistently positive cash flow over the years, the Company does not customarily take on credit for the purpose of financing its ongoing operations, and therefore the Company has no credit facilities.

In June and July 2021, the Company completed its initial public offering of shares on the stock exchange, raising approximately NIS 129 million (including an allocation to the Company's underwriter as part of the offering).

In addition, during the Report Period, 995,748 non-tradable options held by the Company's employees were exercised, generating total proceeds of approximately USD 2,251 thousand.

3.5. Working Capital

As of March 31, 2025, the Company's working capital amounted to approximately USD 123,619 thousand, compared with working capital of approximately USD 78,308 thousand as of March 31, 2024.

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

4. Material Events After the Report Date

- 4.1. On April 3, 2025, the Company received a purchase order from a third party unrelated to the Company and/or its interested parties, for the purchase of cameras of the Company in consideration for a total of approximately USD 6 million (excluding VAT). For further details, see the Immediate Report of the Company dated April 3, 2025 (Reference No.: 2025-01-024475), while the information therein is included in this Board of Directors’ Report by way of reference.
- 4.2. On April 29, 2025, the Company’s General Meeting of Shareholders approved the following matters:
- 4.2.1. Approval of a compensation policy for the Company.
- 4.2.2. Allocation of non-tradable options to Mr. Chen Golan, Chairman of the Company’s Board of Directors.
- 4.2.3. Allocation of non-tradable options to Mr. Boris Kipnis, Director and Chief Technology Officer.
- 4.2.4. Allocation of non-tradable options to Mr. Michael Grosman, the Company’s CEO.

On May 5, 2025, the Company allocated the options to the officers mentioned above. For further details, see the Immediate Reports dated May 5, 2025, April 29, 2025, April 24, 2025, and March 9, 2025 (Reference Nos.: 2025-01-031210, 2025-01-030555, 2025-01-029114, and 2025-01-015589, respectively), while the information therein is included in this Board of Directors’ Report by way of reference.

- 4.3. On May 18, 2025, the Company’s Remuneration Committee and Board of Directors approved the following matters:
- 4.3.1. Allocation of 9,000 options to Mr. Alex Lavie, Chief Financial Officer of the Company, and an increase in his salary to NIS 48 thousand (replacing NIS 43.5 thousand).
- 4.3.2. Allocation of 9,000 options to Mr. Liran Reller, Vice President of Engineering, and an increase in his salary to NIS 55 thousand (replacing NIS 45 thousand).
- 4.3.3. Allocation of 13,000 options to Mr. Yuval Evron, the Company’s COO.



4.3.4. Allocation of 52,000 options to Company employees, exercisable into 52,000 ordinary shares of the Company.

5. **Liability Schedule by Maturity Dates**

For data regarding the Company's liability schedule, see the Immediate Report of the Company dated May 19, 2025 (Reference No.: 2025-01-034750).

Chen Golan
Chairman of the Board

Michael Grosman
CEO

Report approval date: May 18, 2025.

Next Vision Stabilized Systems Ltd.
Condensed Interim Financial Statements
As of March 31, 2025
(Unaudited)

Next Vision Stabilized Systems Ltd.
Condensed Interim Financial Statements
As of March 31, 2025
(Unaudited)

Contents

	<u>Page</u>
Auditors' Review Report	2
Condensed Statements of Financial Position	3
Condensed Statements of Comprehensive Income	4
Condensed Statements of Changes in Equity	5
Condensed Statements of Cash Flows	6
Notes to the Condensed Interim Financial Statements	7 - 11



**Independent Auditors' Review Report to the Shareholders of
Next Vision Stabilized Systems Ltd.**

Introduction

We have reviewed the accompanying interim financial information of Next Vision Stabilized Systems Ltd. ("The Company"), that includes the condensed interim statement of financial position as of March 31, 2025, and the related condensed interim statement of comprehensive income, changes in equity and of 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 IAS 34 "Interim Financial Reporting" and they are also responsible for the preparation of this interim financial information in accordance with Chapter D of Securities Regulations (Periodic and Immediate Reports) - 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We have 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 the individuals responsible for financial and accounting matters, and of the application of analytical and other review procedures. A review is substantially less in scope compared to 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 abovementioned financial information is not prepared, in all material respects, in accordance with International Accounting Standard IAS 34.

In addition to the statements in the previous paragraph, based on our review, nothing has come to our attention, that causes us to believe that the abovementioned financial information does not comply, in all material respects, with the disclosure requirements of chapter D of the Securities Regulations (Periodic and Immediate Reports) – 1970.

Tel-Aviv, Israel
May 18, 2025

Ziv Haft
Certified Public Accountants (Isr.) – BDO
Member Firm

Condensed Statements of Financial Position

	As of March 31		As of
	2025	2024	December 31
	(Unaudited)		(Audited)
	In thousands of US dollars		
Current assets			
Cash	40,976	69,895	74,708
Short-term deposits	61,509	-	47,903
Trade receivables	7,639	6,758	6,374
Current taxes receivable	-	98	1,054
Other accounts receivable	4,499	1,244	1,840
Inventory	29,258	14,768	22,386
	<u>143,881</u>	<u>92,763</u>	<u>154,265</u>
Non-current assets			
Fixed assets	810	459	749
Right of use assets	3,413	646	514
Intangible assets	4,394	2,640	3,628
	<u>8,617</u>	<u>3,745</u>	<u>4,891</u>
	<u>152,498</u>	<u>96,508</u>	<u>159,156</u>
Current liabilities			
Trade payables	7,098	5,987	5,842
Current taxes payable	1,023	-	-
Other accounts payable	12,141	8,468	15,024
	<u>20,262</u>	<u>14,455</u>	<u>20,866</u>
Non-current liabilities			
Employee benefit liabilities, net	114	91	114
Deferred taxes	454	251	373
Lease liabilities	3,374	285	111
	<u>3,942</u>	<u>627</u>	<u>598</u>
Equity			
Share capital and premium	46,083	40,634	43,194
Reserve for share-based payment	4,385	2,175	4,047
Retained earnings	77,826	38,617	90,451
	<u>128,294</u>	<u>81,426</u>	<u>137,692</u>
	<u>152,498</u>	<u>96,508</u>	<u>159,156</u>

The accompanying notes constitute an integral part of these condensed interim financial statements.

May 18, 2025

Date of the approval of
the financial statements

Chen Golan
Chairman of the Board of Directors

Michael Grossman
Chief Executive Officer

Alex Lavie
Chief Financial Officer

Condensed Statements of Comprehensive Income

	For the period of three months ended March 31		For the year ended December 31
	2025	2024	2024
	(Unaudited)	(Unaudited)	(Audited)
	In thousands of US dollars (apart from earnings per share data)		
Income from sales	36,163	27,223	114,934
Cost of sales	<u>(9,675)</u>	<u>(8,016)</u>	<u>(32,044)</u>
Gross profit	<u>26,488</u>	<u>19,207</u>	<u>82,890</u>
Research and development expenses	(952)	(719)	(2,517)
Sales and marketing expenses	(447)	(483)	(1,639)
General and administrative expenses	<u>(2,887)</u>	<u>(2,073)</u>	<u>(5,730)</u>
	<u>(4,286)</u>	<u>(3,275)</u>	<u>(9,886)</u>
Operating profit	<u>22,202</u>	<u>15,932</u>	<u>73,004</u>
Financing expenses	(32)	(91)	(430)
Financing income	<u>1,930</u>	<u>910</u>	<u>4,330</u>
Profit before income tax	<u>24,100</u>	<u>16,751</u>	<u>76,904</u>
Income tax	<u>(3,527)</u>	<u>(2,205)</u>	<u>(10,508)</u>
Net profit	<u>20,573</u>	<u>14,546</u>	<u>66,396</u>
Other comprehensive income (net of tax effects)			
<u>Amounts that will not be subsequently reclassified to profit or loss:</u>			
Loss from remeasurement of defined benefit plans	-	-	<u>(16)</u>
Total other comprehensive Loss	<u>-</u>	<u>-</u>	<u>(16)</u>
Total comprehensive income	<u>20,573</u>	<u>14,546</u>	<u>66,380</u>
<u>Net profit per share (in US dollars)</u>			
Basic net profit	<u>0.2556</u>	<u>0.1838</u>	<u>0.8332</u>
Diluted net profit	<u>0.2466</u>	<u>0.1763</u>	<u>0.8024</u>

The accompanying notes constitute an integral part of these condensed interim financial statements.

Condensed Statements of Changes in Equity

For the period of three months ended March 31, 2025 (unaudited)

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

For the period of three months ended March 31, 2024 (unaudited)

	<u>Share capital and premium</u>	<u>Reserve for share based payment</u>	<u>Retained earnings</u>	<u>Total equity</u>
	In thousands of US dollars			
Balance as of January 1, 2024	40,303	1,774	37,857	79,934
Net income	-	-	14,546	14,546
Consideration from the exercise of options into shares	331	(105)	-	226
Share based payment	-	506	-	506
Dividend	-	-	(13,786)	(13,786)
Balance as of March 31, 2024	<u>40,634</u>	<u>2,175</u>	<u>38,617</u>	<u>81,426</u>

For the year ended December 31, 2024 (audited)

	<u>Share capital and premium</u>	<u>Reserve for share based payment</u>	<u>Retained earnings</u>	<u>Total equity</u>
	In thousands of US dollars			
Balance as of January 1, 2024	40,303	1,774	37,857	79,934
Net income	-	-	66,396	66,396
Other comprehensive income	-	-	(16)	(16)
Total comprehensive income	40,303	1,774	104,237	146,314
Dividend	-	-	(13,786)	(5,574)
Consideration from the exercise of options into shares	2,891	(502)	-	2,389
Share based payment	-	2,775	-	2,775
Balance as of December 31, 2024	<u>43,194</u>	<u>4,047</u>	<u>90,451</u>	<u>137,692</u>

The accompanying notes constitute an integral part of these condensed interim financial statements.

Condensed Statements of Cash Flows

	For the period of three months ended March 31		For the year ended December 31
	2025	2024	2024
	(Unaudited)		(Audited)
	In thousands of US dollars		
<u>Cash flows from operating activities</u>			
Net profit	20,573	14,546	66,396
Adjustments required to present cash (used in) provided by operating activities:			
<u>Adjustments to profit and loss items:</u>			
Depreciation and amortization	469	295	1,142
Income tax	3,527	2,205	10,508
Cost of share based payment	976	506	2,775
Change in employee benefit liabilities, net	-	-	7
Net Financing income	(3,014)	(749)	(3,848)
<u>Changes in asset and liability items</u>			
Decrease (increase) in trade receivables	(1,265)	715	1,099
Increase in other accounts receivable	(2,659)	(248)	(844)
Decrease (increase) in inventory	(6,872)	1,162	(6,456)
Increase in trade payables	1,256	1,439	1,294
Increase (decrease) in other accounts payable	(2,643)	(1,793)	4,704
Cash provided by operations activities	10,348	18,078	76,777
Interest received	1,891	857	4,176
Interest paid	(69)	(12)	(40)
Income tax paid	(1,369)	(3,363)	(12,500)
Net cash provided by operating activities	10,801	15,560	68,413
<u>Cash flows from investment activities</u>			
Investment in fixed assets	(103)	(40)	(432)
Investment in short-term deposits	(12,873)	-	(47,695)
Capitalized development costs	(967)	(507)	(1,969)
Net cash used in investment activities	(13,943)	(547)	(50,096)
<u>Cash flows from financing activities</u>			
Dividend	(33,198)	(13,786)	(13,786)
Exercise of stock options into shares	2,251	226	2,389
Repayment of lease liabilities	(98)	(84)	(342)
Net cash used in financing activities	(31,045)	(13,644)	(11,739)
Increase (decrease) in cash and	(34,187)	1,369	6,578
Exchange differences on cash	455	(105)	(501)
Cash at the beginning of the period	74,708	68,631	68,631
Cash at the end of the period	40,976	69,895	74,708

The accompanying notes form an integral part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

Note 1:- General**A. The Company**

Next Vision Stabilized Systems Ltd. (hereinafter: the "Company") was incorporated in Israel in April 2009 and commenced its business activity in September 2009. The Company is resident in Israel and its address is 9 Hadafna Street in Ra'anana.

The Company is engaged in the development, production and marketing of day and night cameras which are stabilized to ground bases and aerial platforms, such as micro and mini drones and remotely piloted aircraft. In addition, to cameras, the Company is developing ancillary products, which reduced the integration time for the cameras on its customers' various platforms significantly.

On June 14, 2021, the Company's securities were first traded on the Tel-Aviv Stock Exchange Ltd., after the Company had completed an initial floatation pursuant to a prospectus on June 10, 2021.

B. The impact of the Swords of Iron war on the Company's operations

On October 7, 2023, following a surprise attack by the Hamas terrorist organization from the Gaza Strip, the Government of Israel declared the "Swords of Iron" war. Following the attack from the Gaza Strip, an attack also began against the North of Israel by the Hezbollah terrorist organization from Lebanon, which was accompanied by increased tensions in additional sectors. As part of the coping with the threats raised by the Swords of Iron war, the government of Israel instructed the evacuation of dozens of settlements, which are located in the South of the country, around the Gaza strip, and in the North of the country, along the border with Lebanon, and it imposed restrictions on various gatherings, the holding of activity in places of work and the holding of educational activities in accordance with the directives issued by the Home Front Command. In addition, many citizens have been called up to reserve military service for long periods of time. These factors have led to a reduction and a slow-down in business activity in Israel, as a result, inter alia, of the closure of businesses, a shortage of manpower and the disruption of the supply chains.

The potential fluctuations in the prices of commodities, in the exchange rates of foreign currencies, the availability of materials, the availability of manpower, local services and access to local resources may affect entities whose main activity was with Israel or in Israel.

On September 27, 2024, Moody's the international rating agency announced the lowering of Israel's credit rating by two grades from a level of A2 to a level of BAA1 with a negative outlook, which was after the agency had announced the lowering of Israel's credit rating from a level of A1 to a level of A2 with a negative outlook on February 9, 2024. Furthermore, a few day after the lowering of the rating by Moody's, S&P, the credit rating agency announced the lowering of Israel's credit rating by one grade from A+ to A-, with the addition of a negative outlook, which was after it had already lowered the credit rating once in the course of the year 2024.

Furthermore, on October 1, 2024, Moody's announced the lowering of the credit rating of the five largest banks in Israel by one grade from a level of A3 to a level of BAA1 with the addition of a negative outlook, which was further to the lowering of Israel's credit rating. According to Moody's, the lowering of the rating and the negative forecast, both the negative forecast for the government of Israel's credit rating and also the concern regarding the worsening of the state of the banks themselves in the event of additional damage to the economy if the impacts of the war worsen.

Since the beginning of the war there has been an increase in orders for the Company's cameras and additional products on the part of the Company Israeli customers. In addition, in the previous year and prior to the outbreak of the war, the Company increased its inventory in order to fulfill an increase that had occurred in orders for the Company's products on the part of its customers. The Company has increased its production capacity in order to meet the increase in demand and in parallel to continue to supply its customers with their orders on time. As at the present time, the war has not had a significant impact on the Company's results or on the Company's ability to supply its customers with their orders on time.

The Company is continuing to examine the economic impacts of the fighting on its business activity, from time to time. However, in light of the uncertainty in connection with the scope of the war, the length of time for which it will continue, the extent of call ups to reserve military duty, the continuation of full supplies

from suppliers, fluctuations in the market, additional steps that may be taken by the government of Israel and the impacts of additional factors, inter alia, on the Company's customers' business activity, the Company is unable to assess the extent and the nature of additional future impacts of the war on its results exactly at this time.

Next Vision Stabilized Systems Ltd.

Notes to the Condensed Interim Financial Statements

Note 1:- General (Continued)

C. Customs on goods imported into the USA

In April 2025, the American government announced a program for the imposition of tariffs on goods that are imported into the United States, which may have an impact on the economy in Israel. According to a macro-economic forecast, which was published by the Bank of Israel's Research Department in April 2025, the raising of customs levies globally will lead to a decrease of 4% in the volume of global trade up to the end of 2026 (relative to a situation without customs). The program contains two main components:

- a) Uniform customs at a rate of 10% on all imports into the USA.
- b) Additional customs at variable rates on imports from countries that have a significant trade surplus opposite the USA.

Within the framework of this program, imports from Israel into the United States will be chargeable with customs at a rate of 17%, where the customs charge entered effect on April 10, 2025, with their implementation being deferred until July 9, 2025.

Even though a considerable part of the Company's revenues are sourced in exports to the USA, there is considerable uncertainty regarding the new customs policy, and the manner in which it will be implemented in practice. The Company is examining the possible impacts of the raising of the customs on its operations, however it is unable to assess the implication of the policy on its business results at this stage.

Note 2:- Principal accounting policies

Format for the preparation of the interim financial statements

These financial statements have been prepared in a condensed format as of March 31, 2025 and for the period of three months ended on that date (hereinafter: the "Interim financial statements"). These financial statements should be reviewed together with the Company's financial statements as of December 31, 2024 and for the year ended on that date and the accompanying notes thereto (hereinafter: the "Annual financial statements").

The condensed interim financial statements comply with the provisions of International Accounting Standard IAS 34 regarding financial reporting for interim periods. Furthermore, the condensed interim financial statements comply with the disclosure provisions pursuant to Part D of the Securities Regulations (Periodic and Immediate Reports) – 1970.

The condensed interim financial statements have been prepared in accordance with the same accounting policies and calculation methods that were implemented in the annual financial statements.

Note 3:- Cash and cash equivalents

Comprise:

	As of March 31		As of December 31
	2025	2024	2024
	(Unaudited)		(Audited)
	In thousands of US dollars		
In banks	5,773	5,609	4,439
Deposits (*)	35,203	64,286	70,269
	40,976	69,895	74,708

(*) Most of the deposits are dollar denoted for periods of three months, which include interest at a fixed rate ranging between 4.82% and 5.2%.

Next Vision Stabilized Systems Ltd.

Notes to the Condensed Interim Financial Statements

Note 4:- Deposits

Comprise:

	As of March 31		As of
	2025	2024	December 31
	(Unaudited)		(Audited)
	In thousands of US dollars		
Short-term deposits (*)	61,509	-	47,903
	61,509	-	47,903

(*) Most of the deposits are dollar denoted for periods exceeding three months and not exceeding one year, which include interest at a fixed rate ranging between 4.7% and 5.5%.

Note 5:- Revenues from sales

A. Comprise:

	For the period of		For the year
	three months ended March 31		ended
	2025	2024	December 31
	(Unaudited)		(Audited)
	In thousands of US dollars		
Sales in Israel	3,889	5,861	17,880
Sales in Europe	21,315	11,286	66,467
Sales in North America	8,195	5,447	17,975
Sales in other countries	2,764	4,629	12,612
	36,163	27,223	114,934

B. Additional information on revenues:

	For the period of		For the year
	three months ended March 31		ended
	2025	2024	December 31
	(Unaudited)		(Audited)
Revenues from main customers, each of which is responsible for 10% or more of the total revenues that are reported in the financial statements:			
Customer A	17.2%	15.7%	15.9%
Customer B	11.7%	3.7%	19%

Notes to the Condensed Interim Financial Statements

Note 6:- Significant events in the reporting period

A. On March 9, 2025, the Company's Board of Directors approved the distribution of a dividend in an amount of approximately 33,198 thousand US dollars, which was paid in March 2025.

B. On March 9, 2025, the Company's Remuneration Committee and Board of Directors approved the allocation of 273,000 options of the Company, which are exercisable into 273,000 regular shares of par value NIS 0.00005 each in the Company, to employees of the Company. The options are exercisable in three tranches, where the first tranche at the level of 50% of the allocation is exercisable two years after the time of the allocation, the second tranche, at the level of 25% of the allocation is exercisable three years after the time of the allocation and the third tranche, at the level of 25% of the allocation is exercisable four years after the time of the allocation, subject to the existence of employee-employer relationships.

The exercise price of each option, is NIS 84.15 (approximately 23.3 US dollars). The fair value of the grant stood at an amount of approximately NIS 32.34 per option (approximately 8.95 US dollars) at the time of the approval by the Board of Directors.

The calculation has been calculated based on the following assumptions: a standard deviation of 36.13%, a risk free interest rate of 4.01%, an exercise period of five years and the closing price of the Company's shares on the Stock Exchange of NIS 84.15 on March 6, 2025.

C. On March 9, 2025, the Remuneration Committee and the Board of Directors approved the allocation of 65,000 non-marketable options to the Company's Chief Executive Officer, 52,000 non-marketable options to the Chairman of the Company's Board of Directors, and 52,000 non-marketable options to the Company's Chief Technology Officer and a director in the Company. The options are exercisable into regular shares of par value NIS 0.00005 each in the Company. The option warrants are exercisable in three equal annual tranches, subject to the existence of employee-employer relationships between the Company and the Chief Executive Office and the continuation of activity in the Company on the part of the Company's Chairman and the Chief Technology Officer. The grant was approved by the general meeting which was held on April 29, 2025.

D. During the course of the period, the Company's employees exercised 995,748 options into shares in the Company for overall consideration of approximately 2,251 thousand US dollars.

E. Up to December 31, 2024, the Company's activity was conducted primarily from the Company's offices, which were located at 17 Tidhar Street in Ra'anana, with an overall area of approximately 1,600 square meters and 17 parking spaces. As from January 1, 2025, the Company's offices are located at 8 Hadafna Street in Ra'anana, with an overall area of approximately 3,300 square meters, spread over two floors and approximately 100 parking spaces.

The rental agreement (hereinafter: the "Rental agreement") is for a period of 6 years ending on December 31, 2030. The rental agreement contains an option for the Company for the extension of the rental period by an additional 36 months, under terms that are as set forth in the rental agreement.

A leased asset and a leasing liability in an amount of 3,088 thousand US dollars have been recognized by the Company and the incremental interest rate stood at 8%. The option has not been taken into account in the determination of the period of the lease, since the Company does not expect that it is reasonably certain that the option will be exercised.

Notes to the Condensed Interim Financial Statements**Note 7:- Significant events after the date of the statement of financial position**

- A. On April 29, 2025, the general meeting of the Company's shareholders approved a new remuneration policy for the Company. A number of changes have been made in the new remuneration policy relative to the old policy, inter alia, such that in accordance with the new remuneration policy:
1. The ceiling for the fixed remuneration for the Chairman of the Company's Board of Directors and the Company's Chief Technology Officer has been updated to an amount of NIS 2,200 thousand a year (instead of NIS 1,500 thousand a year) and that of the Company's Chief Executive Officer has been updated to an amount of NIS 2,700 thousand a year (instead of NIS 1,500 thousand a year). The ceiling for the remuneration for the officers who are subordinate to the Chief Executive Officer has been updated to an amount of NIS 1,500 thousand a year (instead of NIS 700 thousand a year).
 2. The ceiling for variable remuneration in the Company has changed such that it stands at 18 times the cost of the monthly salary (instead of 12 salaries in a year) in terms of the cost to the employer. Furthermore, a threshold condition has been added, pursuant to which the officers in the Company will be entitled to variable remuneration subject to the Company's operating income, as it may be in the Company's financial statements as approved by the Company's Board of Directors, will stand at an amount of at least NIS 40 million. Each of the Chairman of the Company's Board of Directors and the Chief Technology Officer will be entitled to a cash bonus at a rate of 2.5% of the Company's pre-tax net income up to an amount of 12 times the cost of each of their monthly salaries as the case may be. In addition they will be entitled to an additional bonus, in cash, up to a level of up to 6 times each of their monthly cost, depending on the meeting of targets, as stated in the remuneration policy.
 3. The ceiling for the variable remuneration, which may be granted to an officer who is subordinate to the Chief Executive Officer will be 6 times the monthly salary cost. Furthermore, the ceiling for the value of the variable capital remuneration, has changed in such manner that in relation to the Chairman of the Company's Board of Directors and the Company's Chief Technology Officer – the fair value may not exceed 10 times the officer's fixed monthly salary, as the case may be, in the course of a period of one calendar year and in relation to the Company's Chief Executive Officer – the fair value may not exceed 5.5 times the Chief Executive Officer's fixed monthly salary, in the course of a period of one calendar year.
- B. On May 18, 2025, the Company's Board of Directors approved the allocation of 52,000 options of the Company to employees of the Company other than officers and 31,000 options of the Company to officers, all of the options are exercisable which are exercisable into 83,000 regular shares of par value NIS 0.00005 each in the Company. The options are exercisable in three tranches, where the first tranche at the level of 50% of the allocation is exercisable two years after the time of the allocation, the second tranche, at the level of 25% of the allocation is exercisable three years after the time of the allocation and the third tranche, at the level of 25% of the allocation is exercisable four years after the time of the allocation, subject to the existence of employee-employer relationships.

The exercise price of each option, which has been allocated to officers and to employees of the Company, is NIS 93.69 (approximately 26.46 US dollars). The fair value of the grant stood at an amount of approximately NIS 37.14 per option (approximately 10.49 US dollars) at the time of the approval by the Board of Directors.

The calculation has been calculated based on the following assumptions: a standard deviation of 37.9%, a risk free interest rate of 3.97%, an exercise period of five years and the closing price of the Company's shares on the Stock Exchange of NIS 93.69 on May 15, 2025.

NextVision Stabilized Systems Ltd.

Quarterly Report

As of March 2025

**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, 2025**

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 been brought to the attention of the Board of Directors and Management that could change the assessment of the effectiveness of internal control as found in the most recent internal control report.

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, 2025 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 2025 (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 been brought to my attention that occurred during the period between the last quarterly report date and this Report date that would change the conclusions of the Board of Directors and Management regarding the effectiveness of the internal control over the Company’s financial reporting and disclosure.

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

Date

Michael Grosman
CEO

(b) Statement of the Most Senior Officer in the Finance Function pursuant to Article 38C(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 reports of NextVision Stabilized Systems Ltd. (hereinafter: the “**Company**”) for the first quarter of 2025 (hereinafter: the “**Reports**” or “**Interim Reports**”);
2. To the best of my knowledge, the interim financial statements and other financial information included in the Interim 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 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 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 been brought to my attention that occurred during the period between the last quarterly report date and this Report date, regarding the interim financial statements and any other financial information included in the Interim Reports, which, in my opinion, would change the conclusions of the Board of Directors and Management regarding the effectiveness of the internal control over the Company’s financial reporting and disclosure.

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

Date

Alex Lavie
CFO