

The following is a translated version of the financial statements of Next Vision Stabilized Systems Ltd. as of December 31, 2024 in the English Language.

It should be noted that this is an abbreviated translation of the main statements. In order to view the full version of the financial statements in the Hebrew language, the reader is referred to the Tel-Aviv Stock Exchange's Maya distribution website.

Next Vision Stabilized Systems Ltd.

Financial Statements

As of December 31, 2024

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Financial Statements

As of December 31, 2024

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Statements of Financial Position

	Note	As of December 31	
		2024	2023
		In thousands of US dollars	
Current assets			
Cash and cash equivalents	1	74,708	68,631
Short-term deposits	2	47,903	-
Trade receivables		6,374	7,473
Income tax receivable		1,054	-
Other receivables	3	1,840	996
Inventory	4	22,386	15,930
		<u>154,265</u>	<u>93,030</u>
Non-current assets			
Fixed assets		749	448
Right of use assets		514	704
Intangible assets	5	3,628	2,308
		<u>4,891</u>	<u>3,460</u>
		<u>159,156</u>	<u>96,490</u>
Current liabilities			
Trade payables		5,842	4,548
Current taxes payable		-	1,085
Other payables	6	15,024	10,284
		<u>20,866</u>	<u>15,917</u>
Non-current liabilities			
Leasing liabilities		111	322
Employee benefit liabilities		114	91
Deferred taxes		373	226
		<u>598</u>	<u>639</u>
Equity			
Share capital and share premium	7	43,194	40,303
Share based payment reserve		4,047	1,774
Retained earnings		90,451	37,857
		<u>137,962</u>	<u>79,934</u>
		<u>159,156</u>	<u>96,490</u>

The notes to the financial statements form an integral part thereof.

March 9, 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

Statements of Profit or Loss and Other Comprehensive Income

	Note	For the year ended December 31	
		2024	2023
		In thousands of US dollars (apart from earnings per share data)	
Revenues from sales	9	114,934	51,944
Cost of sales	10	(32,044)	(16,327)
Gross profit		82,890	35,617
Research and development expenses	11	(2,517)	(2,002)
Selling and marketing expenses	12	(1,639)	(889)
Administrative and general expenses	13	(5,730)	(4,000)
		(9,886)	(6,891)
Operating income		73,004	28,726
Financing expenses	14	(430)	(79)
Financing income	14	4,330	3,233
Income before taxes on income		76,904	31,880
Taxes on income		(10,508)	(4,308)
Net income		66,396	27,572
Other comprehensive income (after the impact of tax)			
<u>Amounts that may not be reclassified subsequently to profit or loss:</u>			
Loss on the remeasurement of defined benefit plans		(16)	(27)
Total other comprehensive income		(16)	(27)
Total comprehensive income		66,380	27,545
<u>Net earnings per share (in dollars)</u>	15		
Basic earnings per share		0.8332	0.3493
Diluted earnings per share		0.8024	0.3411

The notes to the financial statements form an integral part thereof.

Statements of Changes in Shareholders' Equity

	<u>Note</u>	<u>Share capital and share premium</u>	<u>Reserve on share based payment</u>	<u>Retained earnings</u>	<u>Total</u>
<u>In thousands of US dollars</u>					
<u>Balance as of January 1, 2023</u>	<u>7</u>	<u>40,230</u>	<u>563</u>	<u>15,886</u>	<u>56,679</u>
Net income		-	-	27,572	27,572
Other comprehensive income		-	-	(27)	(27)
Total comprehensive income		-	-	27,545	27,545
Dividend		-	-	(5,574)	(5,574)
Consideration from the exercise of options into shares		73	(18)	-	55
Cost of share based payment		-	1,229	-	1,229
<u>Balance as of December 31, 2023</u>		<u>40,303</u>	<u>1,774</u>	<u>37,857</u>	<u>79,934</u>
Net income		-	-	66,396	66,396
Other comprehensive income		-	-	(16)	(16)
Total comprehensive income		-	-	104,237	146,314
Dividend		-	-	(13,786)	(13,786)
Consideration from the exercise of options into shares		2,891	(502)	-	2,389
Cost of share based payment		-	2,775	-	2,775
<u>Balance as of December 31, 2024</u>		<u>43,194</u>	<u>4,047</u>	<u>90,451</u>	<u>137,962</u>

The notes to the financial statements form an integral part thereof.

Statements of Cash Flows

	For the year ended December 31	
	2024	2023
	In thousands of US dollars (apart from earnings per share data)	
<u>Cash flows from operating activities</u>		
Net income	66,396	27,572
Adjustments required to present cash flows from operating activities:		
<u>Adjustments to profit or loss items:</u>		
Depreciation and amortization	1,142	1,012
Taxes on income	10,508	4,308
Cost of share based payment	2,775	1,229
Change in employee benefit liabilities, net	7	4
Financing income, net	(3,848)	(3,154)
<u>Changes in asset and liability items</u>		
Decrease (increase) in trade receivables	1,099	(4,918)
Increase in other receivables	(844)	(689)
Increase in inventory	(6,456)	(10,753)
Increase in trade payables	1,294	1,942
Increase in other payables	4,704	6,678
Total adjustments	76,777	23,231
Change in the fair value of financial assets	-	88
Interest received	4,176	2,911
Interest paid	(40)	(29)
Taxes on income paid	(12,500)	(4,403)
Net cash generated by operating activities	68,413	21,798
<u>Cash flows from investment activities</u>		
Investment in fixed assets	(432)	(249)
Investment in short-term deposits	(47,695)	-
Proceeds of financial assets	-	8,714
Development costs capitalized	(1,969)	(1,195)
Net cash generated (used in) by operating activities	(50,096)	7,270
<u>Cash flows from financing activities</u>		
Dividend	(13,786)	(5,574)
Exercise of options into shares	2,389	55
Repayment of leasing liabilities	(342)	(272)
Net cash used in financing activities	(11,739)	(5,791)
Increase in cash and cash equivalents	6,578	23,277
Exchange differences in cash and cash equivalents	(501)	78
Cash and cash equivalents at the beginning of the period	68,631	45,276
Cash and cash equivalents at the end of the period	74,708	68,631

The notes to the financial statements form an integral part thereof.

Notes to the Financial Statements**Note 1:- Cash and cash equivalents**

Composition:

	<u>As of December 31,</u>	
	<u>2024</u>	<u>2023</u>
	<u>In thousands of US dollars</u>	
In banks	4,439	5,500
Deposits (*)	70,269	63,131
	<u>74,708</u>	<u>68,631</u>

(*) Most of the deposits are dollar denoted for periods of three months, which include interest at a fixed rate ranging between 5.3% and 6%.

Note 2:- Deposits

Composition:

	<u>As of December 31,</u>	
	<u>2024</u>	<u>2023</u>
	<u>In thousands of US dollars</u>	
Short-term deposits (*)	<u>47,903</u>	<u>-</u>

(*) Most of the deposits are dollar denoted for periods of over three months, which include interest at a fixed rate ranging between 3.3% and 5.5%.

Note 3:- Other receivables

Composition:

	<u>As of December 31,</u>	
	<u>2024</u>	<u>2023</u>
	<u>In thousands of US dollars</u>	
Prepaid expenses	75	34
Institutions	634	378
Advances to suppliers	963	434
Others	168	150
	<u>1,840</u>	<u>996</u>

Notes to the Financial Statements**Note 4:- Inventory**

Composition:

	As of December 31,	
	2024	2023
	In thousands of US dollars	
Raw materials (*)	21,143	14,681
Finished products	1,243	1,249
	<u>22,386</u>	<u>15,930</u>

(*) Includes the inventory of products in working process in the amounts of 3,989 thousand dollars and of 1,471 thousand dollars as of December 31, 2024 and 2023, respectively.

Note 5:- Intangible assets, net

Composition and movement:

	As of December 31,	
	2024	2023
	In thousands of US dollars	
<u>Cost</u>		
Balance at the beginning of the year	4,200	3,005
Costs capitalized	1,969	1,195
Balance at the end of the year	<u>6,169</u>	<u>4,200</u>
<u>Accumulated depreciation</u>		
Balance at the beginning of the year	1,892	1,266
Costs capitalized	649	626
Balance at the end of the year	<u>2,541</u>	<u>1,892</u>
Net book value as of December 31, 2024	<u>3,628</u>	<u>2,308</u>

Note 6:- Other payables

Composition:

	As of December 31,	
	2024	2023
	In thousands of US dollars	
Advances from customers	10,751	7,063
Liabilities for salaries and social benefits (1)	3,512	2,539
Current maturities of leasing liabilities	385	349
Accrued expenses	209	243
Other payables	167	90
	<u>15,024</u>	<u>10,284</u>
(1) Including provision for vacation pay and recuperation pay	<u>310</u>	<u>208</u>

Notes to the Condensed Interim Financial Statements**Note 7:- Equity**A. Comprise:

	<u>As of December 31, 2024</u>		<u>As of December 31, 2023</u>	
	<u>Authorized</u>	<u>Issued and outstanding</u>	<u>Authorized</u>	<u>Issued and outstanding</u>
	<u>Number of shares</u>		<u>Number of shares</u>	
Ordinary shares of NIS 0.00005	<u>200,000,000</u>	<u>80,087,970</u>	<u>20,000,000</u>	<u>78,963,850</u>

B. The rights that are ancillary to the shares:

The Ordinary shares afford their holders the property rights in the Company, and the right to participate in general meetings of the Company and to vote therein, to appoint the Company's directors, to receive their nominal value upon liquidation and the right to a dividend.

- C. On March 10, 2024, the Company's Board of Directors approved the distribution of a dividend in an amount of 13,786 thousand dollars, which was paid in March 2024.
- D. During 2024, sixteen employees of the Company exercised 1,124,120 options into shares in the Company for overall consideration of 2,389 thousand dollars.
- E. On March 8, 2023, the Company's Board of Directors approved the distribution of a dividend in an amount of 5,574 thousand dollars, which was paid in March 2023.
- F. During 2023, five employees of the Company exercised 34,500 options into shares in the Company for overall consideration of 55 thousand dollars.

Note 8:- Share based payment transactionsExpense that has been recognized in the financial statements

The expense that has been recognized for share based payment transactions is presented in the following table:

	<u>For the year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
	<u>In thousands of US dollars</u>	
Total expenses recognized from share-based payment transactions that are settled with capital instruments	<u>2,775</u>	<u>1,229</u>

Notes to the Condensed Interim Financial Statements**Note 8:- Share based payment transactions (Continued)**Movements in the year

The following table includes the number of options for shares, the weighted average of their exercise price and the changes that have been made in the options plans for employees during the course of the current year

	Year ended December 31, 2024		Year ended December 31, 2023	
	Number of options	Weighted average exercise price Dollars	Number of options	Weighted average exercise price Dollars
Options for shares at the beginning of the year	4,328,542	2.46	2,530,542	2.2
Options for shares granted in the year	1,431,500	11.58	1,894,000	2.87
Options for shares exercises in the year	(1,124,120)	2.11	(34,500)	1.60
Options for shares forfeited in the year	(84,500)	8.27	(61,500)	1.94
Options for shares at the end of the year	4,551,422	5.31	4,328,542	2.46
Options for shares exercisable at the end of the year	1,184,088	2.19	1,060,521	2.05

The weighted average of the balance of the contractual lifetime of the options for shares as of December 31, 2024 and 2023 is 3.03 years and 3.2 years, respectively.

Note 9:- Revenues from salesA. Comprise:

	For the year ended December 31	
	2024	2023
	In thousands of US dollars	
Sales in Israel	66,467	13,675
Sales in Europe	17,880	27,367
Sales in North America	17,975	7,815
Sales in other countries	12,612	3,087
	114,934	51,944

B. Additional information on revenues:

	For the year ended December 31	
	2024	2023
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	19.0%	13.8%
Customer B	15.9%	12.9%
Customer C	9.1%	3.2%

Notes to the Financial Statements**Note 10:- Cost of sales and services**

Comprise:

	For the year ended December 31	
	2024	2023
	In thousands of US dollars	
Purchase of raw materials	33,853	24,216
Salary and social benefits	3,016	1,836
Subcontractors and others	488	308
Depreciation and amortization	667	641
Share based payment	476	79
	<u>38,500</u>	<u>27,080</u>
Change in inventory	(6,456)	(10,753)
	<u><u>32,044</u></u>	<u><u>16,327</u></u>

Note 11:- Research and development expenses

Comprise:

	For the year ended December 31	
	2024	2023
	In thousands of US dollars	
Salaries and social benefits	1,555	1,352
Share based payments	769	367
Purchases of raw materials	193	283
	<u>2,517</u>	<u>2,002</u>

Note 12:- Selling and marketing expenses

Comprise:

	For the year ended December 31	
	2024	2023
	In thousands of US dollars	
Salaries and social benefits	1,129	640
Share based payments	346	123
Advertising	114	10
Commissions	32	43
Other	18	73
	<u>1,639</u>	<u>889</u>

Notes to the Financial Statements**Note 13:- Administrative and general expenses**

Comprise:

	For the year ended December 31	
	2024	2023
	In thousands of US dollars	
Salaries and social benefits	2,560	2,075
Share based payments	1,183	660
Depreciation and amortization	474	373
Professional services	577	325
Office expenses	402	171
Other	534	396
	<u>5,730</u>	<u>4,000</u>

Note 14:- Financing income and expenses

Comprise:

	For the year ended December 31	
	2024	2023
	In thousands of US dollars	
<u>Financing expenses</u>		
Revaluation of financial assets	-	15
Interest on leasing liabilities	40	29
Bank commissions	28	31
Exchange differences	356	-
Other	6	4
Total financing expenses	<u>430</u>	<u>79</u>
<u>Financing income</u>		
Interest	4,330	3,078
Exchange differences	-	155
Total financing income	<u>4,330</u>	<u>3,233</u>
Total financing income, net	<u>3,900</u>	<u>3,154</u>

Notes to the Financial Statements**Note 15:- Earnings per share**

Details of the quantity of shares and the earnings used in the calculation of the earnings per share

	Year ended December 31, 2024		Year ended December 31, 2023	
	Weighted number of shares	Net income attributed to shareholders in the Company Thousands of Dollars	Weighted number of shares	Net income attributed to shareholders in the Company Thousands of Dollars
For the purpose of the calculation of the basic net earnings per share	79,689,881	66,396	78,934,641	27,572
Impact of options for shares	3,055,671	-	1,911,760	-
For the purpose of the calculation of the diluted net earnings per share	<u>82,745,552</u>	<u>66,396</u>	<u>80,846,401</u>	<u>27,572</u>

Note 16:- Events after the date of the statement of financial position

- A. On 9 March 2025, the Company's Board of Directors approved the distribution of a dividend in an amount of NIS 36,198 thousand dollars, which was paid in March 2025.