

2 December 2024

Dear CDI Holder,

## Update

The Board of Directors (**Board**) of Nightingale Intelligent Systems Inc. (**Nightingale** or the **Company**) is pleased to provide this update to its CDI Holders.

### 1. Business update

As advised to CDI Holders on 10 September 2024, the Company was removed from the Official List of the Australian Securities Exchange (**ASX**) (**Delisted**) on 28 August 2024 (**Delisting Date**).

Since then, the Board has continued to work tirelessly seeking to obtain new funding for the Company's business, pursuing new commercial opportunities, and finalising the ASX Delisting process as explained below. The Directors themselves have extended significant funding to the Company. Importantly, the Company continues to operate in the United States, albeit still on a capital-constrained basis.

The Board believes in the prospects of the Company's business to recover over time with new funding and further customer contract awards. Nightingale's AI-powered Blackbird drones continue to demonstrate their value to our customers as an innovative, comprehensive, and cost-effective security solution.

Law enforcement continues to be a key target market for Nightingale's Blackbird drones, using "drones as a first responder". The Company believes there is a significant and highly addressable market in law enforcement for Nightingale's drones. There are approximately 15,000 police departments in the United States, approximately 3,000 of which have 50 officers or more, and 700 have over 100 officers.

Nightingale believes its ground breaking deployment of Blackbird drones for use by the largest police department in the United States<sup>1</sup> will help accelerate the adoption of Nightingale's Blackbird drone systems across multiple other police departments located in the United States and law enforcement agencies located throughout the world, tapping into this significant market.

The Company will keep investors informed of significant developments going forward and more updates will follow.

### 2. Delisting from ASX - Transfer of legal title in Nightingale Shares to CDI Holders

Each CDI you hold represents one underlying share of common stock (a **Share**) in Nightingale. Whilst the Company was listed on ASX, the Shares underlying the CDIs were held on your behalf by CHESSE Depository Nominees Pty Ltd (**CDN**), a subsidiary of ASX, under a trust.

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<sup>1</sup> As announced to ASX on 13 December 2023, the Company was contracted to supply its Blackbird drone systems to the largest police department in the United States under a three-year purchase and services contract. Under the contract, Nightingale's drones have been installed in multiple locations to enable deployment to a number of police precincts in the city. Nightingale's drones were initially deployed in June 2024 and have been successfully operating since. A follow-on purchase order has also been received for additional units at another site.

Following considerable delays on ASX's part, on 26 November 2024 ASX finally confirmed to Nightingale that the CDN trust had been terminated. The formal notice of termination of the trust is set out below.

CDN will now transfer the legal title to the underlying Shares to all CDI Holders. Following this transfer, CDI Holders will hold full legal and beneficial title to one Share for every one CDI held at the Delisting Date.

The Company will notify you once this transfer of Shares to CDI holders has occurred. In conjunction with the transfer, the Company will take steps for the Shares of all former CDI holders to be registered on Nightingale's United States register of stockholders. You will subsequently receive a new share certificate representing your Shares from our United States share registrar.

CDI Holders will find important information on the Delisting and their options in our letter dated 10 September 2024.

### **3. Notice of revocation of trust**

In accordance with the requirements of the ASX Settlement Operating Rules 13.5A.1 and 13.5A.2, you are notified that:

- a) approval of CDIs in respect of Shares in the Company has been revoked by ASX Settlement Pty Ltd;
- b) CDN has by resolution of its board of directors, revoked the trust under which it held the underlying Shares; and
- c) the effective date of the revocation of trust referred to above is 26 November 2024.

### **4. Listed options**

Many CDI Holders will also hold options in Nightingale which are exercisable at A\$0.35 and expire on 16 September 2025. Nightingale's Delisting also means that the Company's formerly listed options are no longer tradeable on ASX. The Delisting will not have any impact on the options on issue in the Company other than, if exercised, the holders will receive Shares in a private, Delaware corporation rather than securities traded on ASX.

### **5. Further information and future Shareholder communications**

If you have any questions, please contact Michael Tschiderer, Nightingale's Chief Financial Officer at [mike@nightingalesecurity.com](mailto:mike@nightingalesecurity.com) or [investors@nightingalesecurity.com](mailto:investors@nightingalesecurity.com).

Stockholders may view communications via the Nightingale website found at [www.nglinvestors.com](http://www.nglinvestors.com).

Thank you for your continued support.



**Jack Wu**  
CEO  
Nightingale Intelligent Systems, Inc.