



ASX Announcement

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ASX: NGL

Contract to supply AI drones to the largest Police Department in the USA

San Francisco, CA – Nightingale Intelligent Systems, Inc. (**Nightingale** or the **Company**), a leader in autonomous security drone technology, is pleased to announce that as anticipated in its Q3 Quarterly Report, the Company has been contracted to supply its AI-powered Blackbird Security Drone systems to the largest Police Department in the United States under a three-year purchase and services contract.

A key driver for future growth

Nightingale considers the partnership with this Police Department is a considerable validation of the Company's "Drone as First Responder" strategy in law enforcement. Nightingale believes the partnership will greatly enhance the Company's market position and drive future growth for the Company by accelerating the adoption of Nightingale's Blackbird Drone systems across multiple other US police departments and overseas law enforcement agencies, tapping into the significant addressable law enforcement market for the Company.

Installation and deployment

Nightingale will be installing its Blackbird Security Drones in multiple locations to enable deployment to a number of police precincts in the city. Nightingale's state-of-the-art Drone in a Box solution will be integrated into the Police Department's existing technology stack. The Blackbird Drones will act as a force multiplier to the human police force and will substantially enhance the Police Department's ability to respond to emergencies, offering greater distance coverage, shorter response times, and augmented situational awareness of critical incidents. Installation is expected to be completed in the first quarter of 2024.

In addition to sales and service revenue, Nightingale will generate additional recurring revenue from each Blackbird Drone system deployed in the form of continuing maintenance, repair, and upgrade services.

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Revenue from this contract will be recognised over the three-year term as units are deployed and service and maintenance is performed in accordance with Nightingale's applicable revenue recognition accounting standards. Notwithstanding this, if the total contract revenue was recognised in the current financial year, it would amount to approximately 30% of the current financial year revenue.

The Police Department has over 70 police precincts, and Nightingale's goal is to expand the current purchase and services contract over time to supply drones to numerous additional locations across the city.

"Nightingale is proud to partner with the largest Police Department in the USA, which has consistently been a pioneer in integrating technology into its crime-fighting strategies", **said Jack Wu, CEO of Nightingale.** "Our partnerships with US police departments exemplify Nightingale's commitment to creating safer communities through the deployment of innovative drone technology".

Significant and highly addressable market in law enforcement

The Company believes there is a significant and highly addressable market in law enforcement for Nightingale's AI-powered Blackbird Drones. Of the approximately 15,000 police departments in the USA, around 3,000 have 50 officers or more, and 700 have over 100 officers.

The contract with the Police Department announced today builds on Nightingale's successful deployment of its AI-powered Blackbird Drone systems to the San Pablo Police Department announced in September 2023. The Company considers that both partnerships will help accelerate the adoption of Nightingale's Blackbird Drone systems across multiple other US police departments and overseas law enforcement agencies, tapping into the significant addressable market for the Company.

For further information, please contact:

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About Nightingale

Nightingale is a leading provider of autonomous security drone solutions. Leveraging advanced technologies, including AI, computer vision, and autonomous navigation, Nightingale's drones offer real-time monitoring, threat detection, and rapid response capabilities. With a focus on critical infrastructure security, Nightingale empowers organizations to enhance their security operations and protect valuable assets.

Forward looking statements

This announcement contains forward-looking statements, which address a variety of subjects including, for example product development, marketing position and technical advances. Statements that are not historical facts, including statements about our beliefs, plans and expectations, are forward-looking statements. Such statements are based on our current expectations and information currently available to management and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements.

The Company's management believes that these forward- looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events, and developments to differ materially from our historical experience and our present expectations.

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