



August 25, 2025

Dear Nightingale Stockholders,

As we near the end of the third quarter of 2025, we wanted to provide an update on the Company.

Financial Highlights

Our 6-month year-to-date revenues through June 30, 2025 were US\$1.4M. Encouragingly, revenues for the 2nd quarter of 2025 were US\$1.1M as we completed the deployment of various Blackbird drone systems under customer contracts and recognized more recurring revenue from our “RaaS” (Robot-as-a-Service) system subscriptions sold in prior quarters. Revenues for full year 2024 were US\$1.4M, so sales wins and equipment deployments have increased substantially over 2024. Our 6-month net operating loss was US\$1.5M with a net operating loss of US\$400K in the second quarter. This lower loss is correlated with the increase in second quarter revenue.

Our cash balance is still very tight, and we are managing our cash through carefully managing our working capital and borrowing funds through the issuance of short-term promissory notes as we consider various other liquidity sources. We have invested in our technology and have increased the number and breadth of our engineering talent.

Customer Opportunities

We are excited by the customer opportunities that we have won and are working on and others we expect to be awarded. These customers are across each of our target markets – commercial enterprises, law enforcement, and military/defense. Several of these wins/opportunities are for multiple systems. Of note is our recent success with large data center customers with significant number of facilities that want our Blackbird drone as a part of their physical security monitoring programs. Here are some of the customers we have added in 2025 to date:

- Compass Datacenter <https://finance.yahoo.com/quote/COMP/>
- CleanSpark <https://finance.yahoo.com/quote/CLSK/>
- Eli Lilly and Company <https://finance.yahoo.com/quote/LLY/>
- xAI / Grok (an Elon Musk company - currently private)
<https://finance.yahoo.com/quote/XAAI.PVT/profile/>

Upcoming expiration of CDI options from the November 2022 ASX initial public offering

Purchasers of Nightingale CDI's in our 2022 initial public offering on the ASX received 1 option for every 2 CDI's purchased. Each option may be exercised to purchase one unlisted CDI. Because Nightingale is no longer listed on the ASX and the CDN trust with respect to the CDIs has been dissolved, each option may now be exercised for one share of Nightingale's common stock. The options expire on September 16, 2025. The current exercise price for each option is A\$3.50 (~US\$2.20). The current exercise price reflects the 1-for-10 reverse stock split that we completed on February 3, 2025. Currently, there is no public market for any of Nightingale's equity securities, including shares of common stock. Please note the most recent independent equity valuation done in the fourth quarter of 2004 resulting in a per share equity value of US\$0.01 (or US\$0.10 on a post reverse stock split basis).

The information provided in this update is not intended to be investment advice. Stockholders should consult with their own tax advisors. Further information and stock option exercise forms and the manner in which option holders may transmit the exercise price to the Company can be obtained from the Company's Chief Financial Officer, Mike Tschiderer, at mike@nightingalesecurity.com.

Thank you for your support of Nightingale. We will continue to provide updates to our stockholders as we work diligently and strive to create long-term value for all our stockholders.