

Ms. Renee Hutchens
Adviser – Listings Compliance
ASX Limited
20 Bridge Street
Sydney NSW 2000

28 February 2023

Dear Ms. Hutchens,

Mr. Denis Hébert - Appendix 3Y Change of Directors Interest Notice

Attached to this letter is an Appendix 3Y in respect of Mr. Denis Hébert, Nightingale Intelligent Systems Inc's (**Nightingale**) Non-Executive Chairman.

The Appendix 3Y details an on-market purchase of 20,000 CDIs in Nightingale by Mr. Hébert's entity The Hébert Trust at \$0.094 per security (for a total value of \$1,880) on 22 February 2023 (the **CDIs**). The CDIs were promptly sold on-market on 24 February 2023 at a price of \$0.085 per security (for a total value of \$1,700).

Both the purchase and sale of the CDIs occurred in a closed trading period prior to the release of Nightingale's preliminary annual financial results. Nightingale's Securities Trading Policy (**Trading Policy**) prohibits directors trading during closed periods.

The purpose of this letter is to explain the circumstances surrounding the purchase and subsequent sale of the CDIs, and the remedial measures taken by Nightingale and its board to ensure strict future compliance with the Trading Policy.

Circumstances

Nightingale is a US company which was listed on the ASX on 18 November 2022. Mr. Hébert, a US resident, is a significant shareholder in Nightingale, holding 1,606,573 US shares of common stock and 100,000 employee options. His shares were acquired during Nightingale's pre-IPO funding rounds. As Nightingale's Non-Executive Chairman, he is not paid any remuneration for his director role. He is paid A\$10,000 (including superannuation) per annum in total to act as a member of both of Nightingale's audit and remuneration committees.

The board is satisfied that Mr. Hébert has fully disclosed the uncomplicated circumstances surrounding his purchase of the CDIs.

For some time since Nightingale's listing on ASX, Mr. Hébert has been endeavoring to establish an Australian share trading account. In the course of setting up a share trading account through his US broker, Fidelity International, Mr. Hébert was advised that he must make a share trade in order to activate his account. Following this, Mr. Hébert directed Fidelity to make a very small purchase of NGL CDIs to activate his account.

In accordance with board requirements, Mr. Hébert notified the purchase of the CDIs to the board, following which Nightingale sought advice on its reporting obligations from Nightingale's Australian advisers. On identifying that the CDI purchase occurred in a closed trading period, Mr. Hébert was directed to immediately sell the CDIs which he did for a small loss.

For the avoidance of doubt, there were no exceptional circumstances which would have permitted Mr. Hébert to purchase the CDIs during the current closed period, nor did Mr. Hébert seek prior clearance for the purchase of the CDIs.

Nightingale and Mr. Hébert confirm that at the time of the CDI purchase and subsequent sale, Mr. Hébert had not been provided with a copy of Nightingale's draft unaudited financial statements nor was he in possession of any confidential price sensitive information concerning Nightingale.

Given the circumstances set out above, the board of Nightingale (other than Mr. Hébert) determined that no formal investigation of the circumstances surrounding the CDI purchase and sale was warranted. Nightingale's focus has been on appropriate market disclosure and the remedial actions outlined below.

Remedial actions

Nightingale's Trading Policy complies with ASX Listing Rule 12.12. The Trading Policy is available on Nightingale's website. The Trading Policy also forms part of the director and KMP service agreements of all directors and KMPs, including Mr. Hébert.

Nightingale and Mr. Hébert (following professional advice given to him on the circumstances of his securities trading) understand the importance of the Trading Policy restrictions on security trading during closed periods, in particular having regard to protecting the market's integrity and the real risk of reputational harm to both Nightingale and Mr. Hébert arising from breaches of the Trading Policy.

Whilst there is no suggestion of any insider trading, the trade size was negligible, and the purchase was almost immediately reversed at a small loss to Mr. Hébert, Nightingale and Mr. Hébert recognize that Mr. Hébert's breach of the Trading Policy is a serious matter. Mr. Hébert has apologised for the trading to the board and the board has accepted Mr. Hébert's apology.

In order to reinforce the importance of the Trading Policy and its restrictions and obligations on all directors and KMPs, those persons will receive updated specific training on the application of the Trading Policy and will be notified of the start and finish dates of Nightingale's closed periods under the Trading Policy.

In all the circumstances, Nightingale considers Mr. Hébert's purchase of CDIs in breach of the Trading Policy to be a one-off oversight that will not be repeated and that the breach was minor in nature and not caused by any systemic deficiencies in Nightingale's corporate governance arrangements.

This letter has been approved for release by the board.

Yours sincerely,



Jack Wu
CEO

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity	Nightingale Intelligent Systems, Inc. (ASX: NGL)
ARBN	659 369 221

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Denis Hébert
Date of last notice	25 November 2022

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Indirect
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	The Hébert Trust of which Denis Hébert is a controller and a beneficiary.
Date of change	22 February 2023 and 24 February 2023
No. of securities held prior to change	CHESS Depositary Instruments (CDIs) - Zero (0) Fully paid shares of US common stock - 1,606,573 Options – 100,000 (exercisable at A\$0.07 and expiring 12 September 2031) (held by Denis Hébert directly)
Class	CDIs (ASX:NGL)
Number acquired	20,000 CDIs on 22 February 2023
Number disposed	20,000 CDIs on 24 February 2023
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	\$0.094 per security for the CDIs acquired for a total value of \$1,880. \$0.085 per security for the CDIs disposed for a total value of \$1,700.

+ See chapter 19 for defined terms.

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Change of Director's Interest Notice

No. of securities held after change	CDIs - Zero (0) Fully paid shares of US common stock - 1,606,573 Options - 100,000 (exercisable at A\$0.07 and expiring 12 September 2031) (held by Denis Hébert directly)
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	On-market trade for the acquisition and disposal

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	N/A
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	N/A
Interest acquired	N/A
Interest disposed	N/A
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	N/A
Interest after change	N/A

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	Yes
If so, was prior written clearance provided to allow the trade to proceed during this period?	No
If prior written clearance was provided, on what date was this provided?	N/A

⁺ See chapter 19 for defined terms.