

**ASX ANNOUNCEMENT**

**12 October 2021**

**NORWOOD SUCCESSFULLY RAISES \$0.3M IN PLACEMENT TO DRIVE COMPANY DEVELOPMENT PLUS \$0.1M CONVERTIBLE NOTE RAISE**

**Highlights**

- **Successful completion of offering to raise \$0.3M through heavily supported placement of 17,647,058 ordinary shares at \$0.017 per share**
- **Well supported by new professional and sophisticated investors**
- **Funds raised will flow to Sales and Business Development, R&D and working capital**
- **\$0.1M in convertible notes raised from Managing Director Paul Ostergaard**

Norwood Systems Ltd (Norwood or the Company) (ASX: NOR) is pleased to announce that it has received firm commitments to raise \$0.3 million before costs via the issue of 17,647,058 fully paid ordinary shares at an issue price of \$ 0.017 per share to sophisticated investors ("**Placement Shares**").

The Placement Shares will be completed by the issue of 17,647,058 ordinary shares under the Company's placement capacity under ASX Listing Rule 7.1.

The issue price of the Placement represents a 6.25% premium to the Company's closing price on 7 October 2021 of \$0.016 and a 4.29% premium to the Company's 15-day VWAP (volume weighted average price) of \$0.0163/share.

The placement funds will be applied towards sales and business development, research & development and general working capital.

An Appendix 3B follows this announcement for the proposed issue of securities.

Alto Capital Pty Ltd AFSL 279099 ("**Alto Capital**") was Lead Manager to the Placement and will receive a fee of 6% of funds raised.

Paul Ostergaard, Managing Director commented:

"We thank Alto Capital and the placement investors for their support.

"We have been hard at work developing our current portfolio of Telco prospects, as well as bringing key innovations in our R&D pipeline to fruition. We are looking forward very much to seeing what the coming couple of quarters will deliver the company in terms of new Telco contracts, with a number of dialogues in progress with key Telco prospects, as previously noted.

"The team has also made robust technical progress, not just on improvements in its award-winning and proven telco voicemail platform, but also on the forthcoming, powerful and revolutionary Intelligent Assistant service, which has been undergoing intense development and focus this past year, and which is shaping up to become a landmark innovation in the global Telco market."

## Convertible Notes

In addition to the Placement Shares, The Company has executed a binding terms sheet with and issued 4,166,667 convertible notes with a face value of \$0.024 each to Paul Ostergaard, Managing Director of the Company, to raise \$100,000 for the Company.

The principal terms of the Convertible Notes are:

- Shareholder approval: The issue of the Convertible Notes was made on the signing of the Terms Sheet but the conversion of the Convertible Notes into Shares is subject to and conditional upon the Company obtaining all approvals required pursuant to the ASX Listing Rules (including ASX Listing Rule 7.1), the Corporations Act and any other applicable law;
- Conversion: The convertible notes are automatically deemed to convert into Shares on receipt of the Shareholder Approval or otherwise redeemed within 12 months of issue;
- Maturity Date: 12 months from the issue date;
- Face Value: \$0.024 per note;
- Interest: 8% per annum;
- Conversion price: each convertible note will be convertible into Shares at a conversion price of \$0.024 (2.4 cents) per Share; and
- Security: The Convertible Notes are unsecured.

The Noteholder is significant shareholder and Managing Director of the Company, Paul Ostergaard.

The Company therefore intends to seek relevant shareholder approval at the Annual General Meeting to be convened to enable the conversion of convertible notes to shares, pursuant to the above terms.

The proceeds of the subscription for the Convertible Notes are to be applied by the Company towards working capital requirements.

Authorised for release by Stuart Usher, Company Secretary.

<ENDS>

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## About Norwood Systems

Norwood Systems Ltd (ASX: NOR) is revolutionizing mobile voice, messaging, data and cyber security services through its pioneering award-winning virtual mobile services platforms and associated Apps.

The Company's breakthrough offerings deliver Over the Top (OTT) connectivity, knowledge and intelligence services. Norwood's products and services are targeted at a broad spectrum of prospective customers from individuals through to large enterprises and government agencies.

Norwood has delivered services to more than 6 million customers since launching its platform in mid-2014, servicing people in 200+ countries & territories and 5000+ cities worldwide.

Norwood Systems listed on the ASX in June 2015 and trades with the stock ticker NOR.