norwood SYSTEMS

Transforming global telecommunications in the shared economy

Investor presentation – June 2015

ASX:NOR

2 Overview

- **Norwood** has developed service platforms that provide business travellers with seamless access to high-quality, low-cost voice global telecommunications services.
- Key highlights:
  - The company is addressing a $30 Billion (and growing market) opportunity
  - **CORONA** (**CO**rporate **RO**aming **N**etwork **A**ccess): Norwood's award-winning platform used by
    more than 30 companies on 6 continents, targeting contingents of corporate travellers
    and scalable to more than 10's of thousands of CORONA users per organisation
  - **CORONA** is underpinned by Norwood's revolutionary cloud service technology providing worldwide "shared economy" access to high-quality low-cost telecommunications providers
  - Technology now field-proven – looking to scale sales operations

Capital Structure	
ASX Code	**NOR**
Shares on Issue	773,859,598
Performance Shares[1]	157,739,522
Options[2]	25,970,401
Issue Price	$0.02
Market Capitalisation	**$15.5m**
Net Cash[3]	$5.0m
Enterprise Value	**$10.5m**

Notes:
1. 157.7 million performance shares will convert to fully paid ordinary shares upon the achievement of the Milestones 1 & 2 as follows:
   a) Milestone 1 (78.85m): Norwood being awarded two separate 'Material Contracts' whereby a 'Material Contract' is defined as a contract with a third party which generates gross revenue to Norwood of at least $200,000 in any 12 month consecutive period
   b) Milestone 2 (78.85m): Norwood generating gross revenue for any 12 month consecutive period of at least $3.0 million
2. 16.97m excisable at $0.02 per share with 3 year expiry from the date of issue. Remaining 9.0m exercisable at $0.25 – 0.40 per share
3. Estimated post completion cash balance after payment of transaction expenses and outstanding creditors (includes existing MRY cash)

Why invest?

1. Cloud-based disruptive technology

Norwood makes it easy to connect roaming business travellers to local landline telephony services – delivering large savings

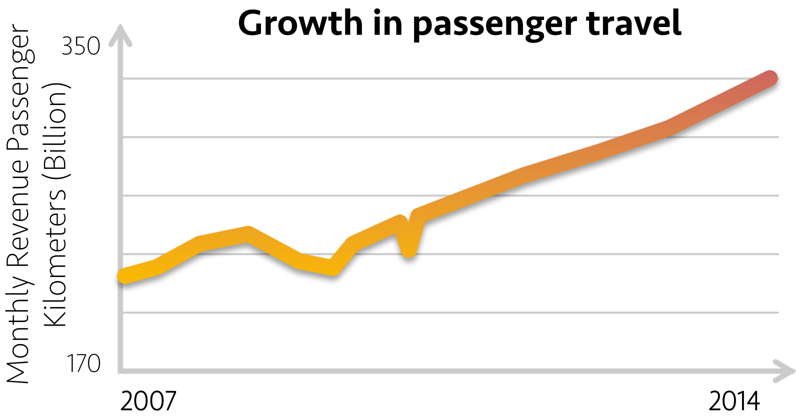
2. A high margin scalable business model

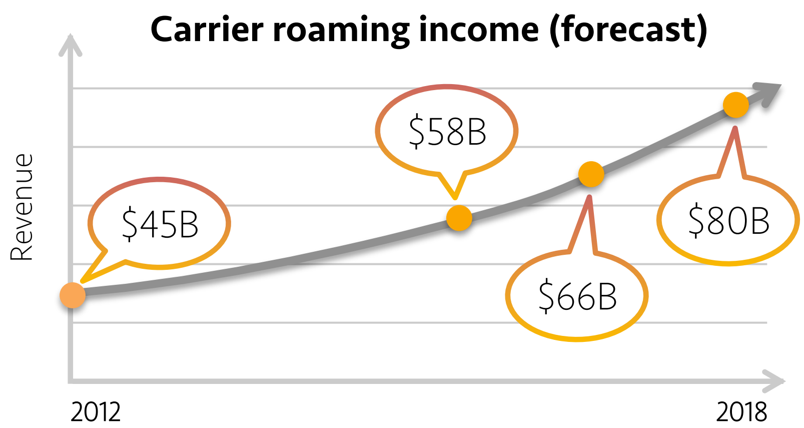
Voice-as-a-Service (VaaS) revenue model, requiring minimal CAPEX and OPEX to scale – already supports a global footprint

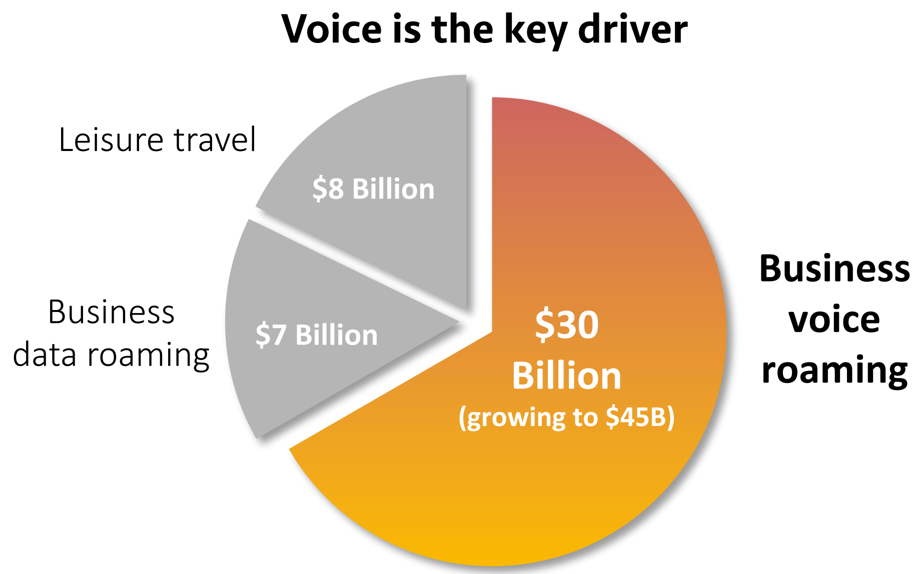
3. First-mover corporate roaming solution

Simple, high-quality integration to corporate networks with patent-pending barriers to entry – delivering seamless roaming

4 Corporate Voice Roaming - $30B and growing @ 12%







Sources: Informa Telecom, Juniper Research, Visiongain and IATA

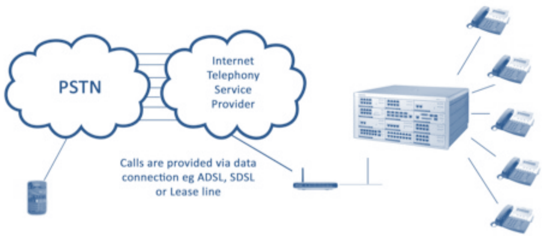
5 First-mover advantage with zero-CAPEX platform

Business travellers' core needs	Traditional means to service need		Shared economy:
	Low-end	Premium	"Premium service at lower cost"
Transportation:		TAXI	UBER
Accommodation:	Backpackers	Commercial Hotel	airbnb
Communication:	skype Voice over IP	Cellular Roaming	CORONA NEW!

CORONA serves a unique two-sided market

Local service delivery

SIP TRUNK PROVIDERS



- Local/regional business voice connectivity providers
- High-quality and low-cost service delivery
- To date, not able to interact efficiently with visiting corporate travellers

CORONA

- Bridges the gap between needs and services
- CORONA's advanced roaming protocol stack seamlessly connects demanding corporate users with local voice service providers

Roaming customers

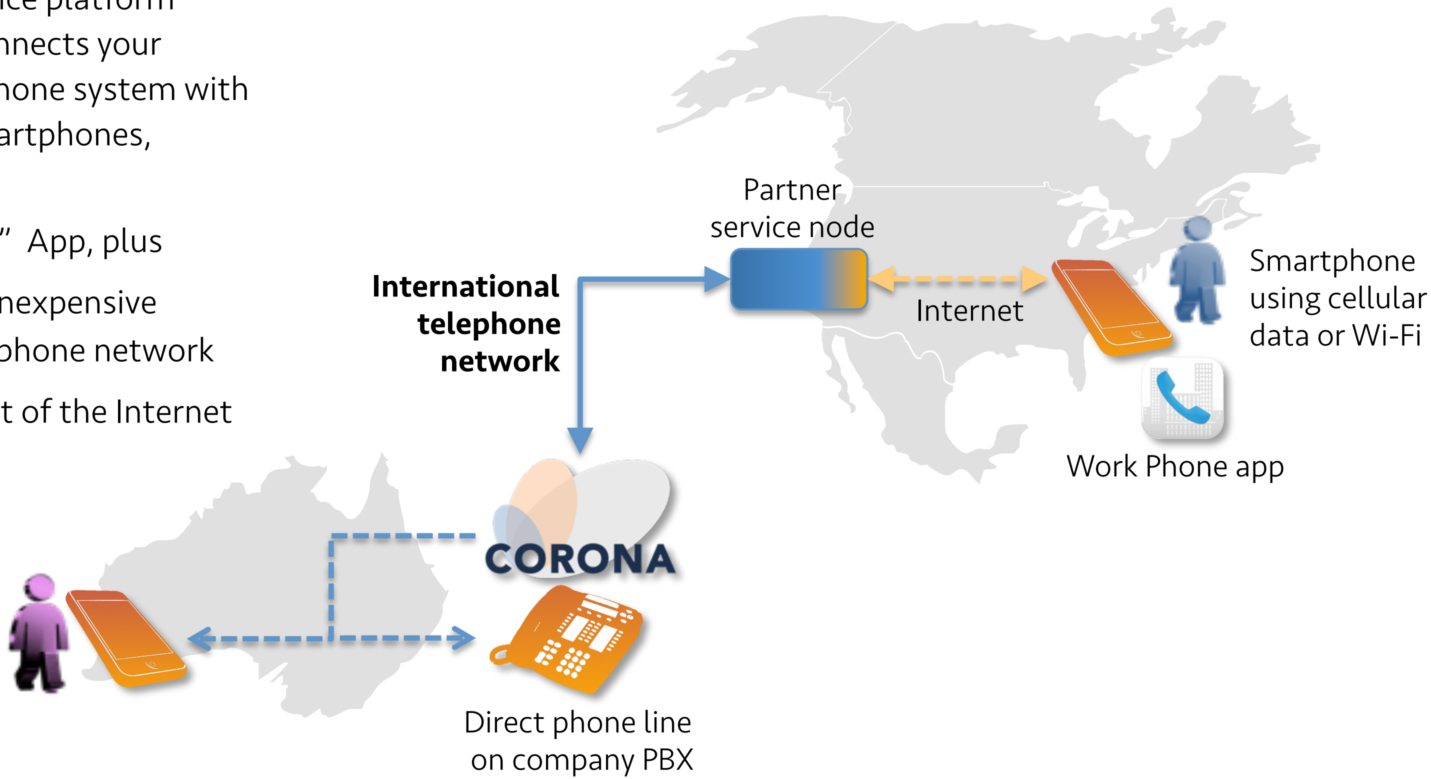
CORPORATE TRAVELLERS

- Performance-sensitive users of communications
- No time or expertise to set up local services
- To date, using cellular roaming as the main (expensive) choice, since no other quality options available

CORONA – how it works

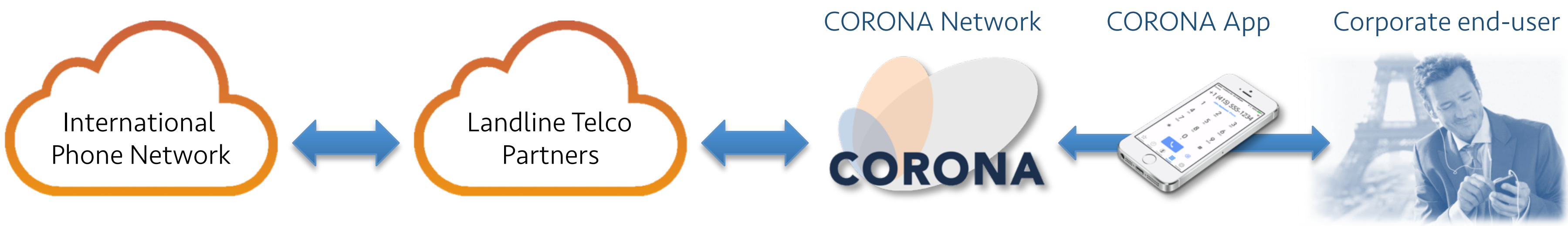
CORONA is our service platform that intelligently connects your organization’s telephone system with your employees’ smartphones, using:

- Our “Work Phone” App, plus
- The high quality, inexpensive international telephone network
- And just a little bit of the Internet

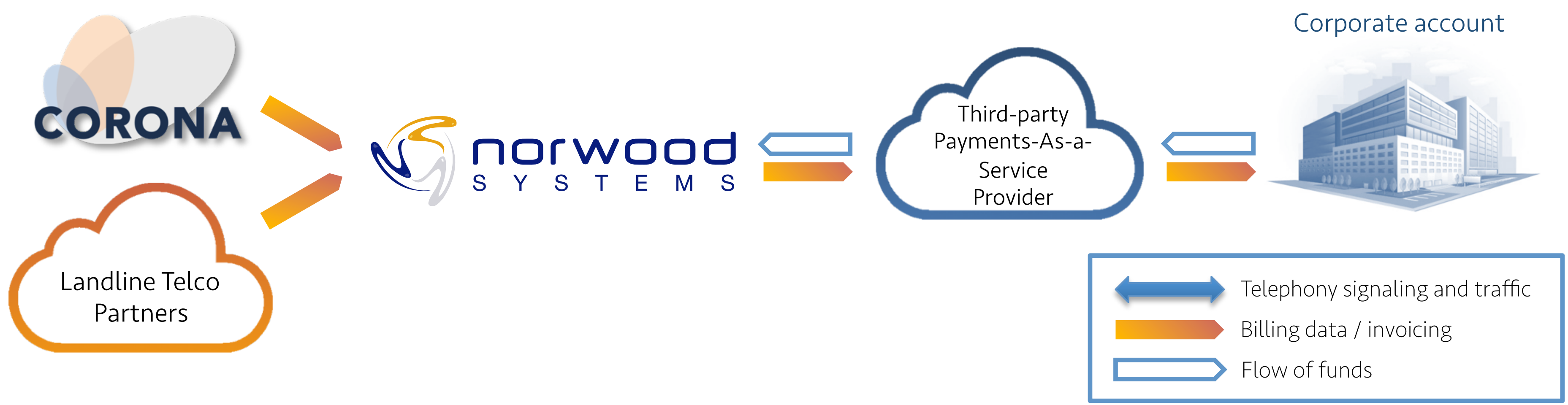


Low OPEX / high-margin business model

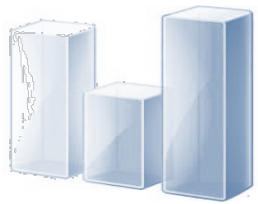
Service delivery:



Billing and reporting:



Corporate roaming – redefined



Key value drivers

Disruptive

Re-engineered and simplified access to global telephony networks
Superior cost profile and call experience to cellular roaming
Significantly reduced total cost of ownership for the organisation

End-user Benefits

Seamless

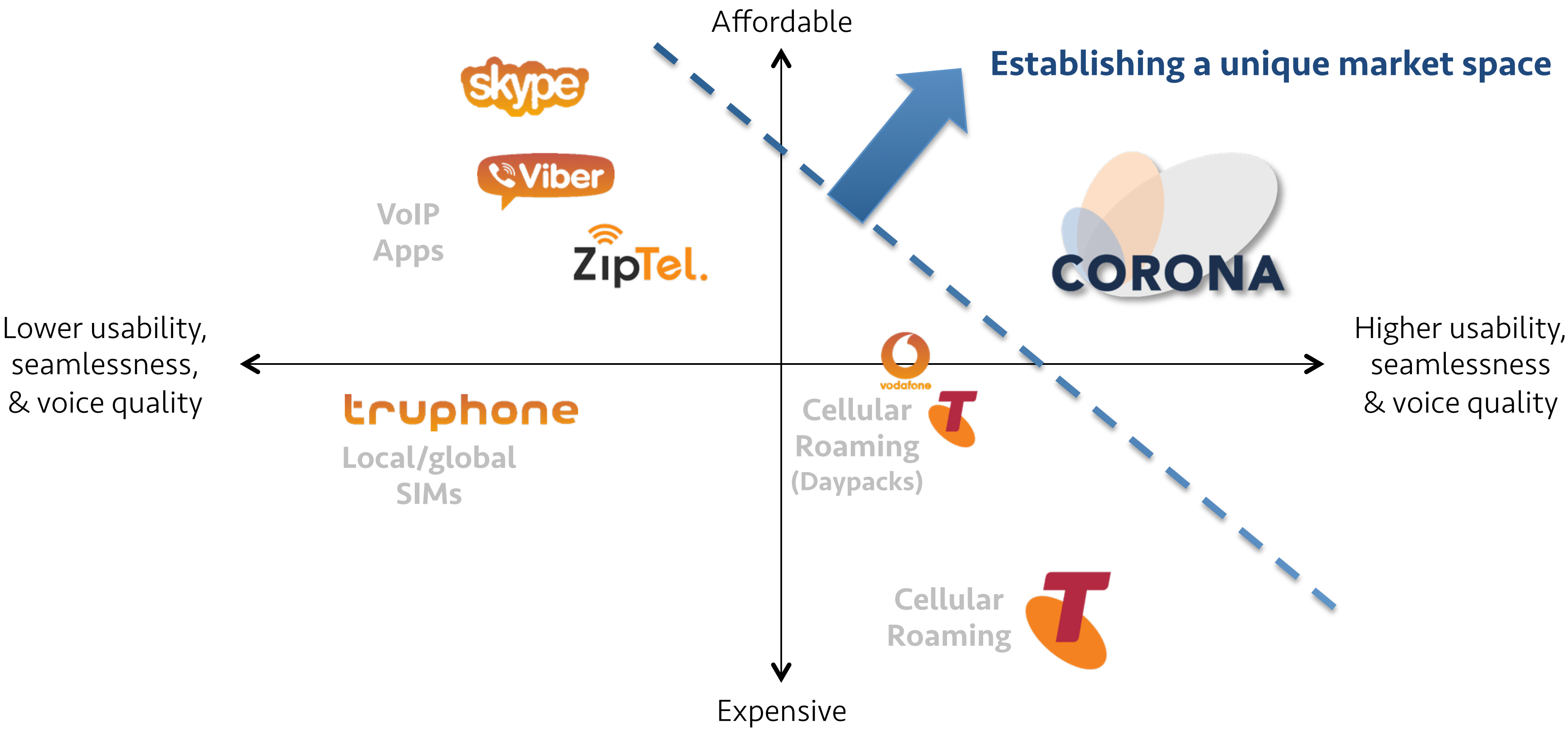
Always connected to their corporate voice network
Totally familiar user experience
Great, predictable voice quality wherever they go

Company Benefits

SIMless

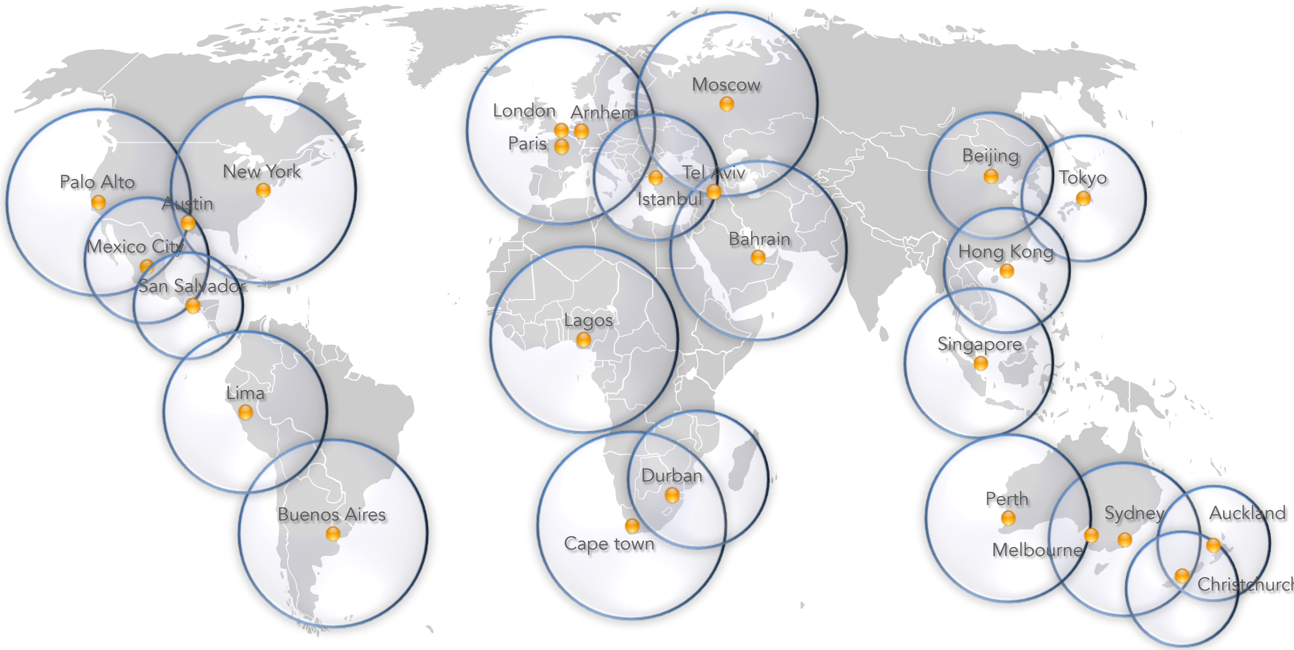
No SIMs in play, no hardware to manage
Corporate dial-plan stays the same, don’t need to re-train staff
Zero corporate CAPEX, minimal OPEX implications

Corporate connectivity with better quality and usability



CORONA is live – supporting a global footprint

Local service partners deliver high-quality telephony access in each region



CORONA

30,000+ hours engineering effort, 500,000+ lines of code,
5 internationally filed patent families, global partnerships

3 million airtime seconds on 6 continents

Direct sales focus

- Mid-size to large organisations with international operations and mobile workforces
- 30+ corporates are using CORONA, including **iiNet**

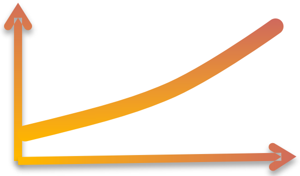
Indirect partner development

- White label partners, system integrators, carriers
- Signed material white label agreement in 2014 with AIM-listed international Unified Communications (UC) reseller, **Progility plc**
- Focus on telecom carriers, particularly incumbents and tier 2 regional players

3 million seconds

100%+ monthly average airtime growth

Increasing usage per user per month



Users on six continents

13 Investing in 2-stage monetisation model

Door-opener

Relationship builder

No client upfront costs – zero CAPEX, no SIMs

- 45¢ per minute – delivering 70-80% savings
- Immediate ROI – only bill client when we have proven the savings
- Minimal installation effort – software-based solution leveraging existing corporate phone infrastructure and smart installation logic

Disruptive efficient pricing model

- Flat-rate Voice-as-a-Service (VaaS)
- $45/month/user – unlimited roaming minutes
- First international roaming package offering a global flat-rate subscription model
- Better cost predictability and budget visibility for CFOs, driving greater degree of adoption and stickiness

Case Study: ASX 200 firm – $600k potential savings/year

Highlights:

- 200-300 active roamers/month
- Spending $1m annually on roaming
- Largest cost driver is voice (2x data)

	Current Situation	**Savings Scenarios***		
	Current cost	30% Wi-Fi 70% cellular	100% Wi-Fi	100% data roaming
Total voice roaming bill today	**$860,000**			
Projected roaming bill, when using CORONA		$645,000	$143,000	$238,000
Annual CORONA Savings		**$215,000**	**$717,000**	**$622,000**

* Implementation costs assumed to be negligible. Data roaming overhead estimated at 30¢ / minute of voice calling.

Get ready for EUROPA!

EUROPA = **E**nd **U**ser **RO**aming **P**ersonal **A**ccess

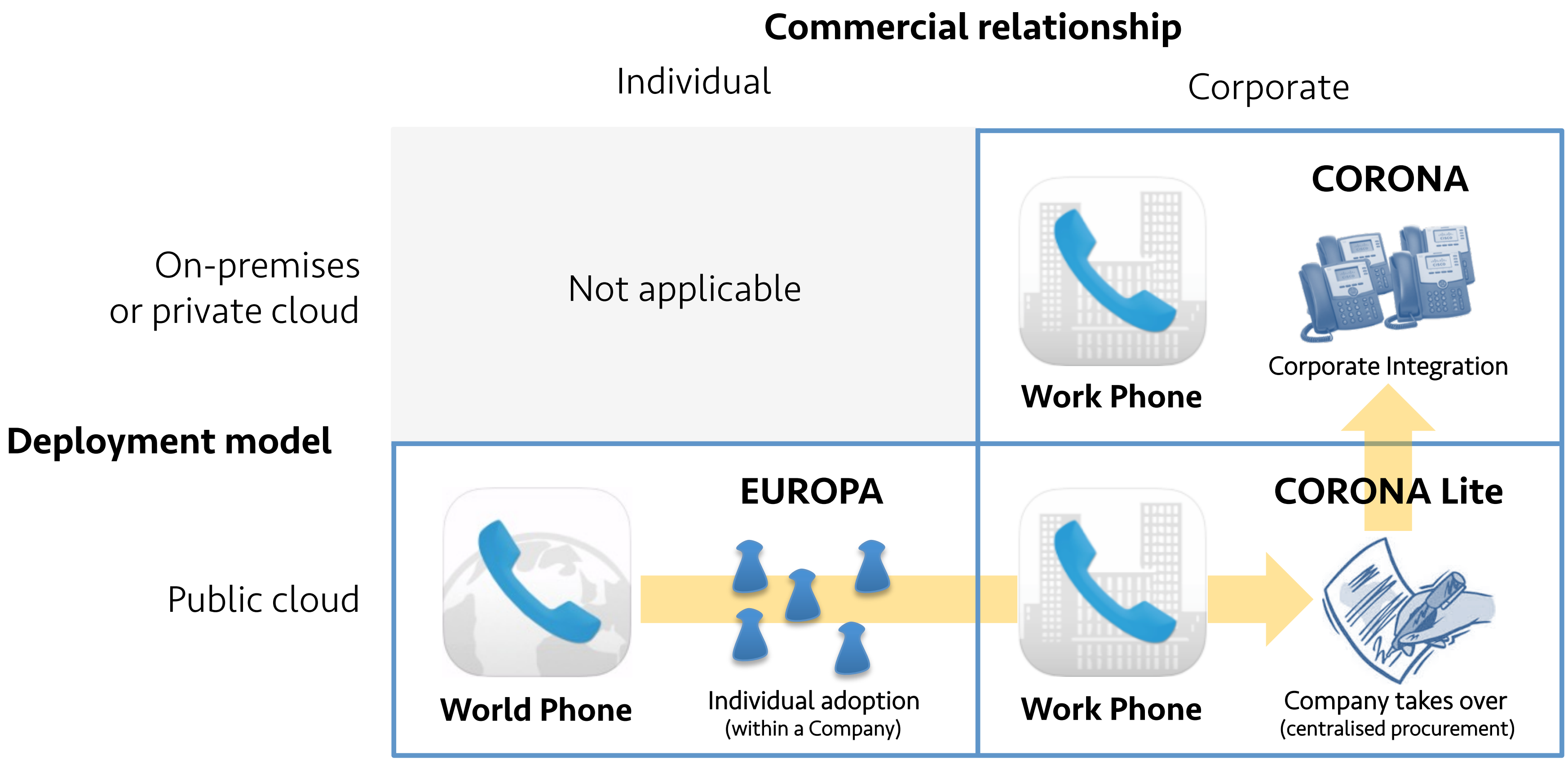
CORONA App

Enterprise

EUROPA App

Prosumer

EUROPA’s place in Norwood’s strategy



Significant external recognition through 2014

Multiple winner at the WAITTA awards
– June 2014

Multiple winner at the National iAwards
– August 2014

Finalist representing Australia at APICTA 2014
– November 2014

65+ years experience in Comms & IT

Paul Ostergaard, CEO – MBA (INSEAD), BE (UWA)

- 25 years high-tech experience
- Founded and led one of Europe's 30 Hottest Tech Firms (Time Magazine, 2001 & 2002) in the 2000s
- Led strategy for a $1 Billion datacoms platform at 3Com Corporation in the 1990s
- WA state winner of the Pearcey Foundation 2014 Entrepreneur of The Year award

Amit Pau, Non-executive Director

- 20 years experience in the technology, media and telecommunications industries
- Former Managing Director for International Accounts and Business Market at Vodafone
- Led divisional units of AT&T and Global TeleSystems
- Former director of Vodafone Spain Radamec Plc

David Wilson, CTO – MBA and BSc (UWA)

- 20 years IT & telecoms experience
- IT Generalist and SIP/VoIP expert
- His innovative work featured in the BRW and The Australian newspaper

Industry Valuations

Viber	WhatsApp	LINE	truphone	skype
2014	2014	2014	2013	2011
Sold to Japan's Rakuten for US $900m	Sold to Facebook for US$19bn	Estimated value US$13bn[1]	23.3% private investment; implied valuation US$470m	Sold to Microsoft for US$8.5bn
300m users	450m users	580m users	400 businesses signed up	170m users
~US$3 per user	~US$42 per user	~US$22 per user	~US$1.2m per business	~US$50 per user

Note:
1. Analyst estimate based on sum of the parts valuation of parent company, South Korean listed Naver Corporation.

Near-term value drivers

Customers

Contracts with regional operating units of Global 5000 firms. Great up-sell opportunity to other operating units within firms.

Products

Imminent launch of World Phone – “prosumer” viral pre-pay offering to be made available for download from the App Store.

Channels

Significant channel in the global PBX/Unified Comms reseller market. Add value to resellers’ earlier systems sales.

Carriers

Help mobile operators to streamline roaming value chain by bypassing wholesale “roam-in” fees.

A Appendix

A.1 IP & patent filings

Details of all trade mark, design and patent registers maintained by IP Australia (or another intellectual property agency) in the name of Norwood Systems or which are licensed to Norwood System are provided below:

PATENTS

	Application number	Title	Applicant(s)	Inventor(s)	Filing date	Application status
1	2013202735	Determining Effects on Communication Signals	Norwood Systems Pty Ltd	Ostergaard, Paul Frederick Norwood; Wilson, David Alexander; Mason, Andrew Phillip	5/04/2013	FILED
2	2013200960	A System, Method, Computer Program And Data Signal For The Re-Routing Of Enterprise Voice Traffic	Norwood Systems Pty Ltd	Ostergaard, Paul Frederick Norwood; Wilson, David Alexander; Mason, Andrew Phillip	20/02/2013	FILED
3	2012283687	Method and device for configuring a communication system	Norwood Systems Pty Ltd	Ostergaard, Paul Frederick Norwood; Wilson, David Alexander	13/07/2012	FILED
4	2012283686	Method, device and system for determining topology of a wireless communication network	Norwood Systems Pty Ltd	Ostergaard, Paul Frederick Norwood; Wilson, David Alexander	13/07/2012	FILED
5	2012248121	Communications	Norwood Systems Pty Ltd	Ostergaard, Paul Frederick Norwood; Mason, Andrew Phillip; Wilson, David Alexander	27/04/2012	FILED

TRADEMARKS

1608213	NORWOOD SYSTEMS	38, 42	Pending Indexing Approved
1608215	NORWOOD SYSTEMS	38, 42	Pending Under Examination - Extension Fees Not Required
1608214		38, 42	Pending Under Examination - Extension Fees Not Required
1608216	CORONA	38, 42	Pending Under Examination - Extension Fees Not Required

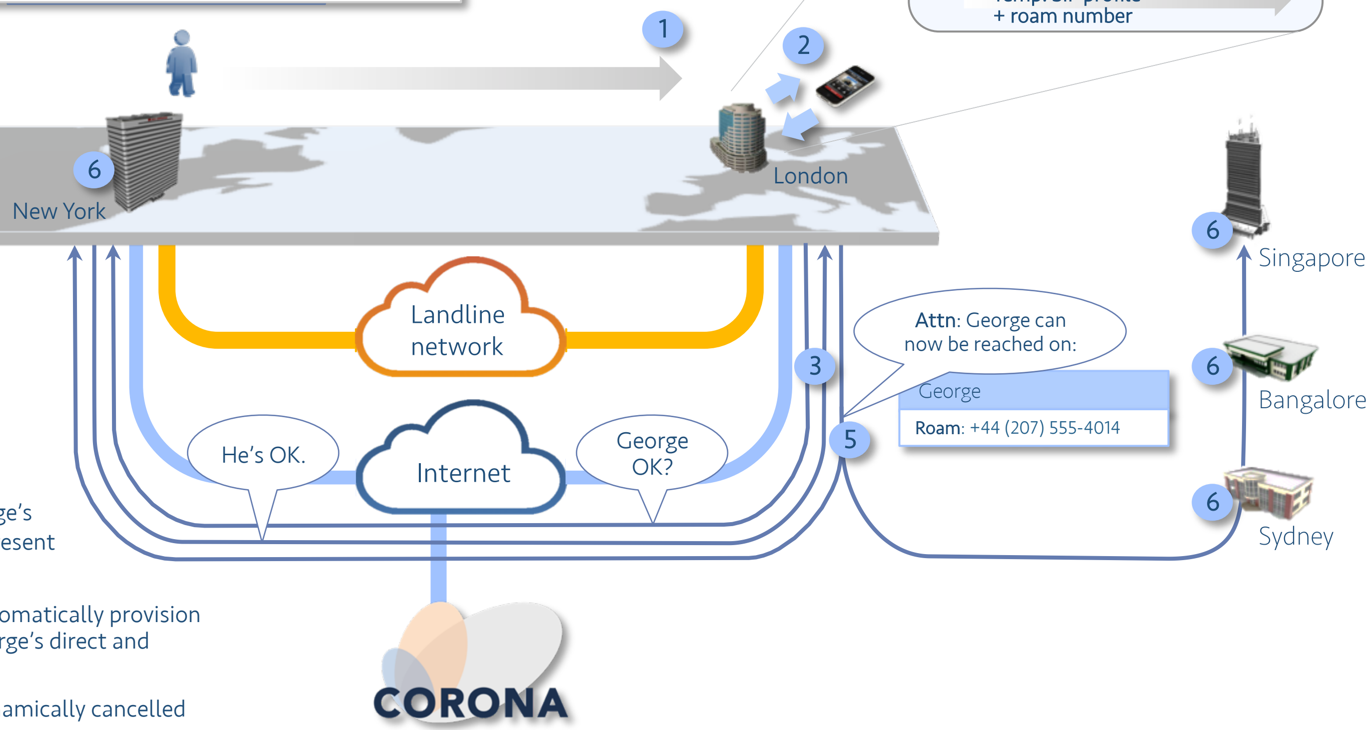
A.2 Innovative and seamless automation

Sequence of events:

1. George travels from New York to London
2. George's smartphone automatically detects a local CORONA server and automatically registers on it
3. The local CORONA server first authenticates George's "home" credentials and his access rights
4. Once authenticated, the server automatically provisions George with a temporary local SIP profile as well as a temporary in-dial "roam number" on the co-located service node
5. The server advises George's home CORONA server (and the rest of the network) of George's new temporary local roam number whilst present on the London system
6. On presence, all CORONA service nodes automatically provision call forwarding to the roam number for George's direct and cellphone numbers.

   On absence, these call forwards are also dynamically cancelled

Process takes place automatically:
- No end-user action required
- No IT staff intervention needed



A.3 No change of behaviour required

Sequence of events:

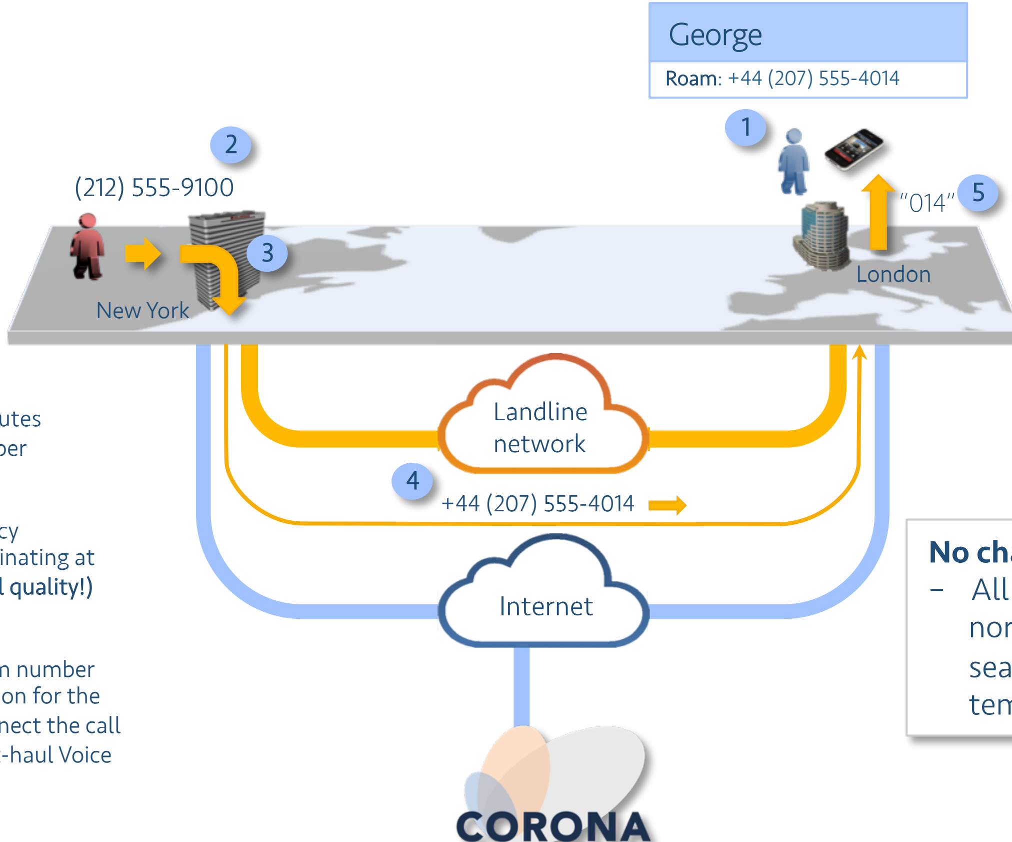
1. George's smartphone is present on the London Service Node and is reachable via the landline network on his hidden roam number

2. Helen calls George on his normal cell phone number, as usual

3. Based on its dynamic call forward settings, the NYC corporate PBX routes Helen's call to George's roam number

4. The call is routed via the low-latency international phone network, terminating at the London service node **(Great call quality!)**

5. The last few digits of George's roam number provide sufficient routing information for the local CORONA service node to connect the call to George's smartphone over short-haul Voice over IP



No change of behaviour needed:

- All internal calls to George's normal contact numbers are seamlessly diverted to his temporary roam number

A.4 Inspired by Australian mid-century innovator

Campion Potash Deposits May Yield £32 Million

DEVELOPMENT OF BIG PROJECT IS NOW ASSURED

(BY I. G. BOYLE,

Deposits to the value of £3

It sounds almost fantastic, but

latest estimate of the wealth the

ing exploitation at Lake Campi

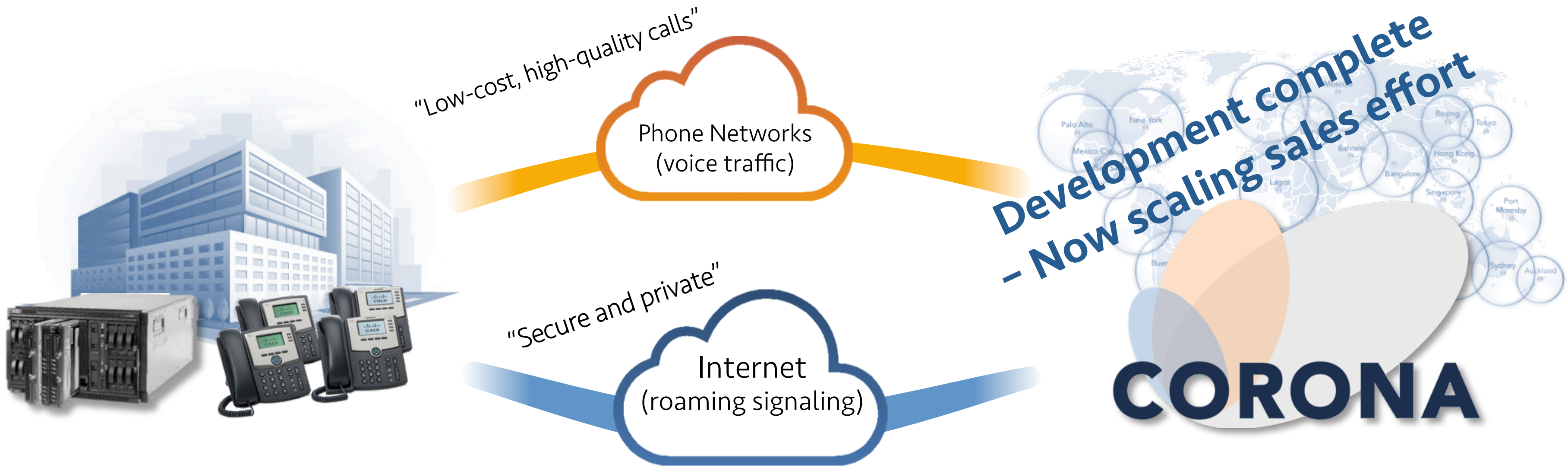
Mr. A. F. B. Norwood, A.R.S.M., B.Sc. (Eng.), A.I.C., a leading consulting metallurgical engineer, who has taken the position of consulting metallurgist to Australian Mines Management and Secretariate Ltd.

- Named after **Arthur F. B. Norwood**, renowned WA mining entrepreneur, metallurgist and innovator in the 1930s-60s, whose values of innovation, entrepreneurship and service the company aims to emulate

Norwood Systems' 21st century platform innovations:

- **CORONA** (**CO**rporate **RO**aming **N**etwork **A**ccess): 30 companies in 6 continents, targeting $30Billion corporate roaming market
- **EUROPA** (**E**nd-**U**ser **RO**aming **P**ersonal **A**ccess): Norwood's personal roaming platform, currently scheduled for release Q1 CY2015, and targeting the "prosumer" individual frequent traveler

A.5 Seamless corporate roaming – across networks



Seamless corporate connectivity

- Employees can roam between their corporate phone systems and public landline networks
- No change to the organisation's telephony numbering plan
- No change of end-user behaviour needed

Based on proven standards

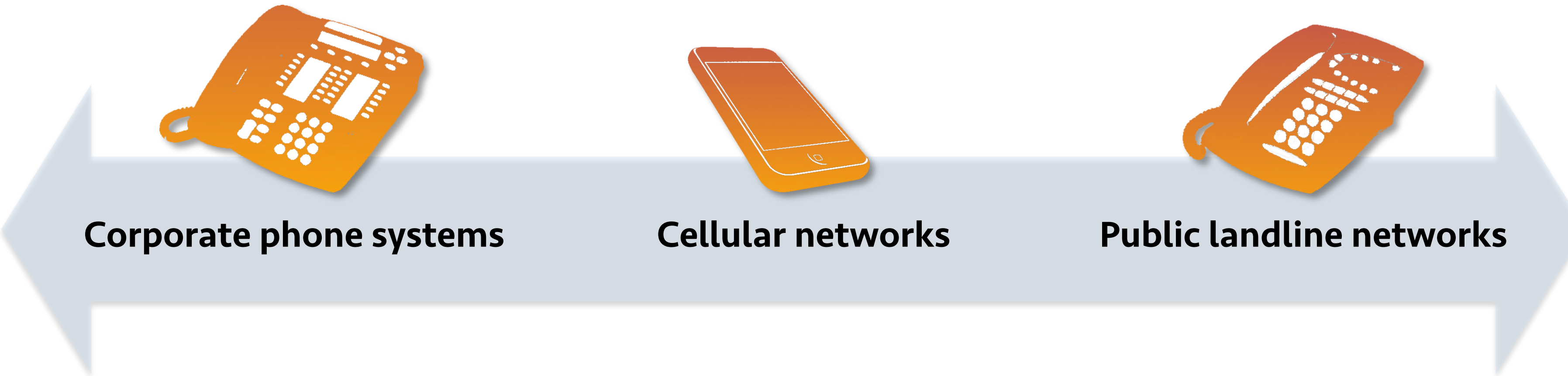
- Uses the cellular networks' very own standard roaming protocols: **bullet-proof** and **widely deployed**
- Sets stage for future carrier sales channel development

Extremely scalable

- Supports 100,000s of corporate networks and 1,000s of partner landline networks
- Core components load tested to 1,000,000 call initiations per second

A.6 Seamless corporate roaming – across networks

Development complete – Now scaling sales effort



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