



norwood
connect globally, locally™

Investor Presentation
and Strategy Update
February 2016
ASX:NOR

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3 Overview

Norwood provides voice, messaging and data services to consumers, enterprises and carriers around the world, leveraging its global federated telecommunications services network partnerships.

Norwood delivers amazing end-user communications Apps that streamline and simplify how users around the world can access affordable, high-quality telecommunications services – anywhere, anytime.

Key highlights:

- Addressing a A\$ 1 trillion mobile services market. Have generated A\$ 0.5 million in App revenue in previous 6 months.
- The award-winning, successful **World Phone** App will be joined by two new Apps: **World Message** and **World Wi-Fi**.
- The award-winning **CORONA** (CORporate ROaming Network Access) platform is adding capabilities to address the SMB sector, while providing a new ability to connect entire office voice networks to the back-end CORONA core network.

Key achievements since listing on June 16, 2015

Operational

- World Phone, successfully launched Jul 2015, currently following a path to profitable monetisation
- 3.3 million downloads in 6 months, active users in more than 200 countries and 5100 cities
- Annualised revenue run rate nearing A\$2 million p.a.
- Launched Android version on time on 30 Nov 2015
- Key CORONA patent awarded

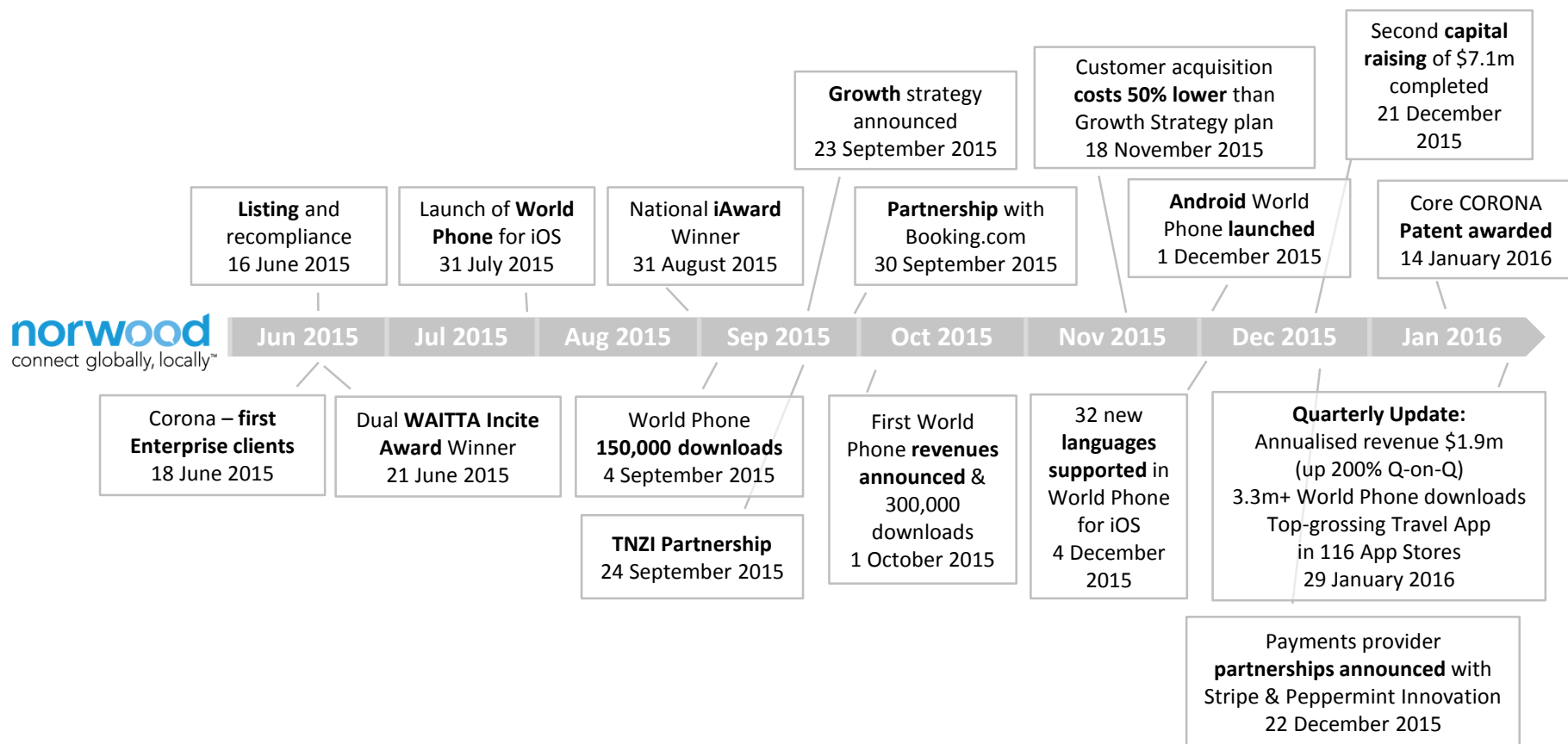
Financial

- Oversubscribed first raising of A\$5.5 million at A\$0.02/share – Jun 2015
- Oversubscribed second raising from institutions / retail of A\$7.1 million at A\$0.08/share – Nov 2015
- Funds applied to marketing, customer acquisition and R&D
- Grown shareholder value by 200+% since listing in June 2015

Corporate

- Senior Leadership Team – appointed Steve Tot (VP Sales), Nick Horton (VP Marketing) in Oct 2015
- Strengthened Board - appointment of Giles Everist as Non-Executive Director in Nov 2015
- Actively recruiting further senior roles to build out internal capability

5 Progress since listing



Strategy update

7 Norwood's Strategic Direction

Having proven World Phone market adoption, Norwood is now focusing on the following strategic priorities:

- **Creating** a multi-service App portfolio to support diverse end-user communications needs – beyond just voice services
- **Integrating** the Company's corporate and end user platforms, CORONA and the World Apps, to support a true continuum of use cases; from individual use through to SMBs; through to Enterprises; through to Carriers.
- **Building** a flexible and powerful credit management and monetisation framework to maximise the economic potential of both of these initiatives and Norwood's ongoing services
- **Considering** White Label carrier licensing as a pathway to scale

Norwood is now investing heavily in enhancing and augmenting its Apps and Services portfolios, as well as setting up new channels to market:

- **Enhancing** CORONA to capture:
 - SMB customers, using purely Cloud-based voice services, while integrating the World Apps
 - Fixed-line office voice traffic, using Norwood's global federated telco access network
- **Expanding** the **go-to-market** focus to include **telco licensing options**, due to inbound interest arising from our high App Store rankings
- **Augmenting** Telephony **service offerings** to include **Messaging** and **Data** services



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
- Supports a global corporate service footprint

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



Voice, messaging and data products for Businesses. Using patented, award-winning tech.

EXISTING

The logo for CORONA, featuring the word "corona" in a blue, lowercase, sans-serif font.

CORONA On-Prem

- On-premises architecture
- Mainly targeting large organisations' roaming business travellers

NEW



CORONA Cloud

- 'Cloud-first' scalable architecture
- Centralised web dashboard for managing multiple users and groups
- Ideal SMB solution

NEW



CORONA Global Trunk Services

- Connects all-of-office voice traffic to Norwood's global federated network
- Single vendor solution for multi-sited, multi-country organisations

NEXT

TBD

Next Gen CORONA

- Further products and feature enhancements in roadmap



“Effortlessly add existing World Phone users to your CORONA Cloud account”
“Migrate easily from individual pre-pay usage to centralised post-pay contracts”

- Compelling, simple migration for World Phone user groups
- **Centralised web-based administration, payments and reporting**
- Similar strategy to Uber for Business, Dropbox for Business, etc.
- **Shipping March 2016**

corona

GTS



“Connect your office(s) directly to our Global Federated Telco Network”

“Deal with a single vendor at highly competitive rates, across borders”

- **Captures *all* office fixed-line voice traffic, not just the roamers**
- Enables companies to connect directly to the CORONA core back-end
- Deployed through local/regional telco/PBX system integrators
- **Shipping April 2016**

Expanding Norwood's Channels



Direct-To-Consumer Digital Marketing. Highly effective, proven, low-cost and global means to acquire consumer customers



Direct and Indirect Corporate Sales. Team now spans **Australia, US, UK and Asia** – also leveraging insights from digital marketing efforts to drive pipeline growth

NEW!



Telco Operators. Offer White-Label version(s) of Norwood's service platforms – revenue share or licensing deals

13 Expanding Norwood's App portfolio



World Phone

A revolutionary, simple-to-use, Over-the-Top (OTT) telephony App that delivers the best possible voice experience on a global scale

NEW!



World Message

A revolutionary, simple-to-use OTT messaging App that delivers a great messaging experience on a global scale

– Details will be released in **early Q2 2016**

NEW!



World Wi-Fi

A revolutionary, simple-to-use App that delivers access to Wi-Fi networks around the world

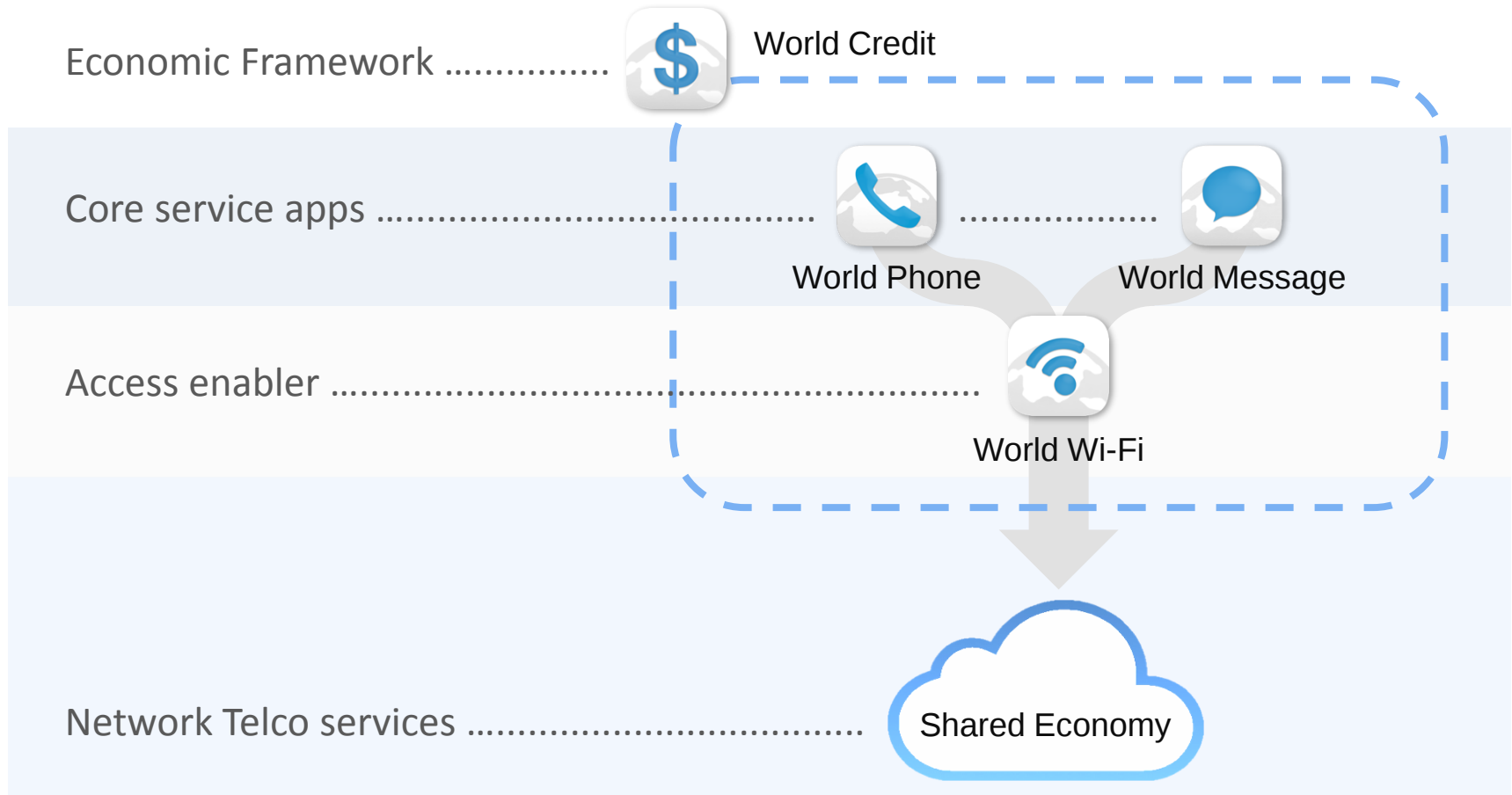
– Details will be released in **early Q2 2016**

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One network, multiple Apps, multiple segments – spanning diverse use cases and markets

	Consumer	SMB / Enterprise	NEW! Carrier / Telco
Telephony	 World Phone	 +  World Phone CORONA Cloud	 White label
NEW! Messaging	 World Message	 +  World Message CORONA Cloud	 White label
NEW! Data	 World Wi-Fi	 World Wi-Fi	 White label

15 Norwood's World App Ecosystem

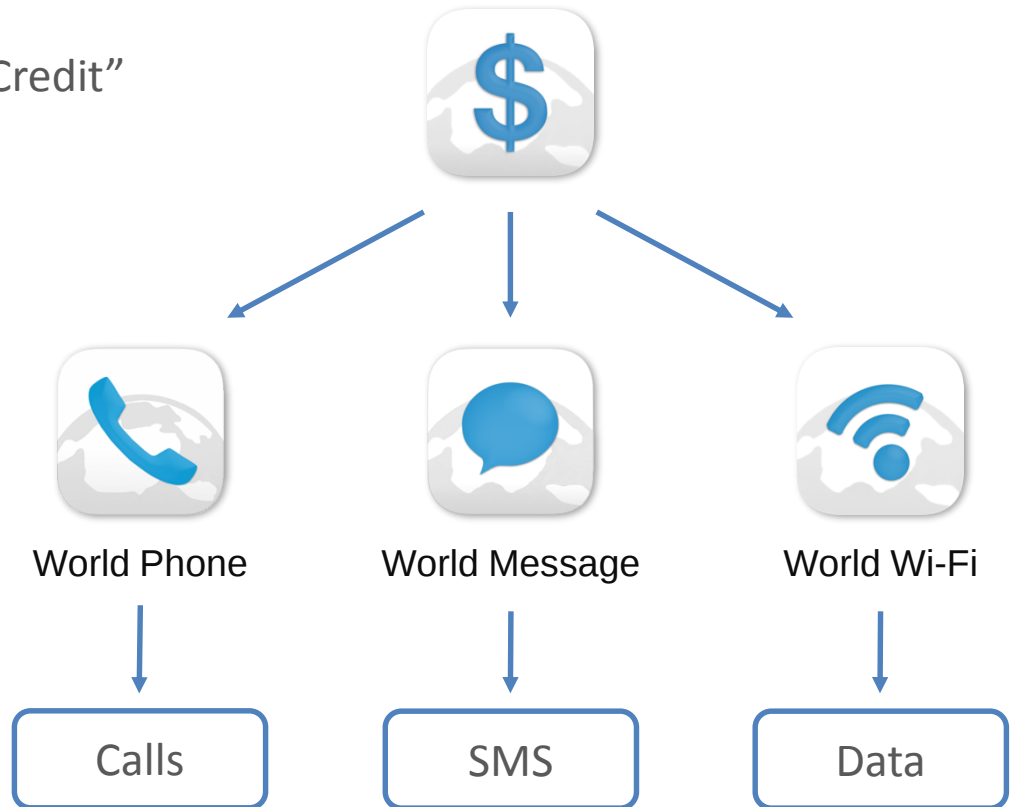


16 World Credit Update

Users can purchase common “World Credit” on any of Norwood’s World Apps

A common, secure value store, to be shared between Apps

Each App can use the available common credit balance for calls, SMSs, or data, respectively



V1.0 Shipping February 2016 – bundled with App2App and Dynamic Pricing V1.0

Current scenario

- Users purchase 20 minute, 60 minute or unlimited calling packs
- **Pros:** easy to understand, always same cost
- **Cons:** doesn't allow for pricing to change and adapt for different routes, competitive pressure; confusing pricing for inbound Local Numbers

How Dynamic Pricing Works

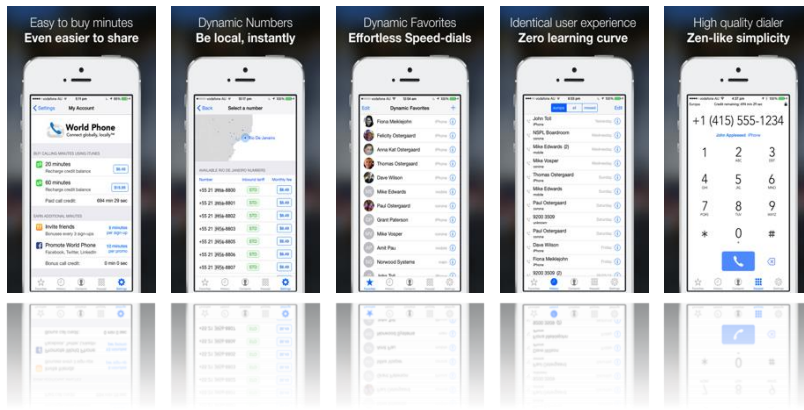
- Calls charged on a per-minute basis, using dynamically updated pricing table
- Users will pre-purchase World Credit (prepay) to spend on calls
- Controlled by a dynamic model that **maximizes gross contribution** from identified calling "Corridors"
- Will create basis for additional competitive differentiation
- **Planning for potential revenue volatility during calibration phases**

V1.0 Shipping February 2016, bundled with World Credit 1.0 and App2App

World Phone update

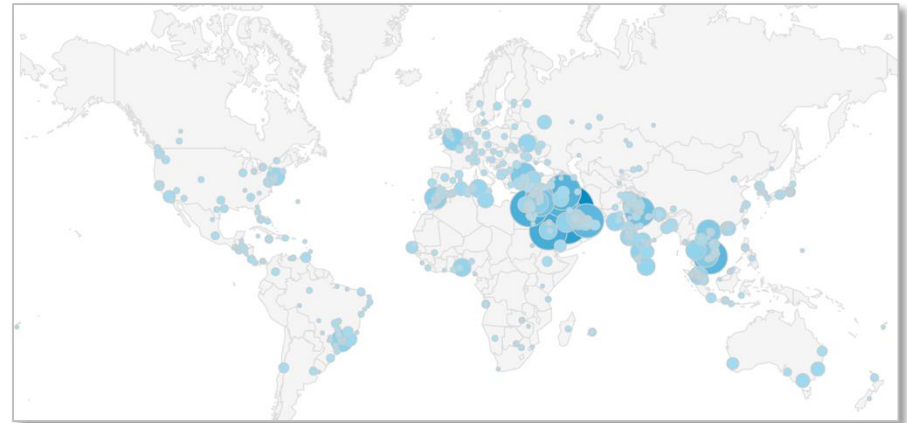
An easy-to-use and high-performance Over-The-Top (OTT) Voice app

A first-rate user experience:



Top-ranked Travel App on iOS and Android

Delivering worldwide access:



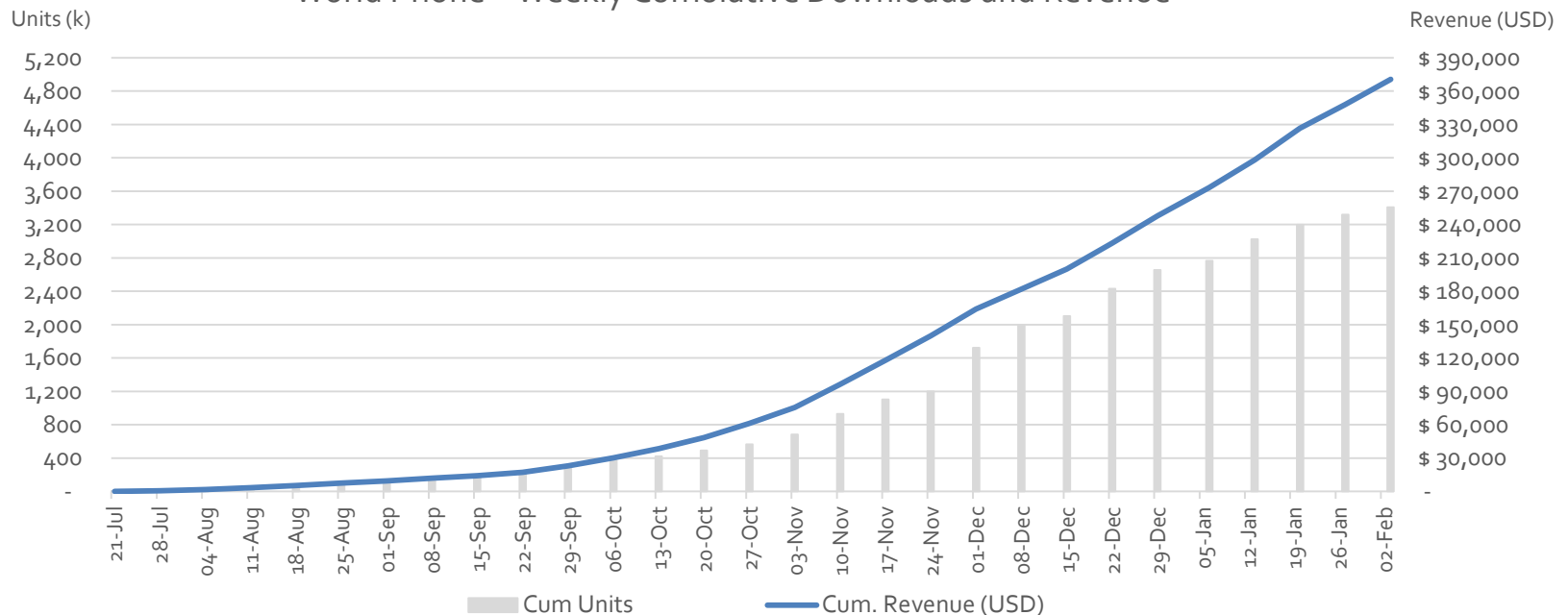
Active users in 200+ countries, 5000+ cities

Leveraging the “sharing economy”: telco partners in more than 70 countries

Controlled, monetisable growth

- World Phone has earned more than **A\$ 500,000 in revenues** since launch 6 months ago
- Routinely in Top 5 downloaded / grossing Travel App ranks on both iTunes & Google Play
- “Entrenched” in many App Stores, alongside the likes of Uber, AirBnB, ...

World Phone – Weekly Cumulative Downloads and Revenue



* Apple iTunes App Store and Google Play Store analytics data, 2 Feb 2016

21 Financials / share price / issued capital



Capital Structure	
ASX Code	NOR
Shares on Issue	867,609,598
Performance Shares & Rights ¹	165,595,070
Options (various exercise prices)	95,974,485
Share Price	\$0.066
Market Capitalisation	~\$57.2m
Cash on hand (31 Dec 2015)	~\$6.5m
Enterprise Value	\$50.7m

Notes:

1. Comprising 157,739,522 performance shares and 7,855,548 performance rights, which will convert to fully paid ordinary shares upon the achievement of the Milestones 1 & 2 (conversion of 50% each) as follows:
 - a) Milestone 1: 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: Norwood generating gross revenue for any 12 month consecutive period of at least \$3.0 million

Paul Ostergaard

Managing Director & Founder



- One of Australia's 100 Most Influential Engineers in 2015 (Engineers Australia)
- Led strategy for a \$1bn revenue data network platform at 3Com Corporation in the 1990s
- Founded and led one of Europe's 30 Hottest Tech Firms (ranked by Time Magazine) in the 2000s
- Pearcy Foundation's WA Entrepreneur of The Year in 2014
- MBA (INSEAD), BE (UWA)

Amit Pau

Non Executive Director



- Former Group Managing Director for International Accounts and Business Markets at Vodafone
- Led divisional units of AT&T, Global TeleSystems
- Former director of Vodafone Spain Radamec Plc
- Managing Director of Ariadne Capital Ltd

Giles Everist

Non Executive Director



- Extensive corporate and financing experience at Coopers & Lybrand, Rio Tinto, Fluor Australia, and Monadelphous
- Has chaired ASX listed companies and is a Director of ASX listed Macmahon Holdings, Decmil Group and Austal

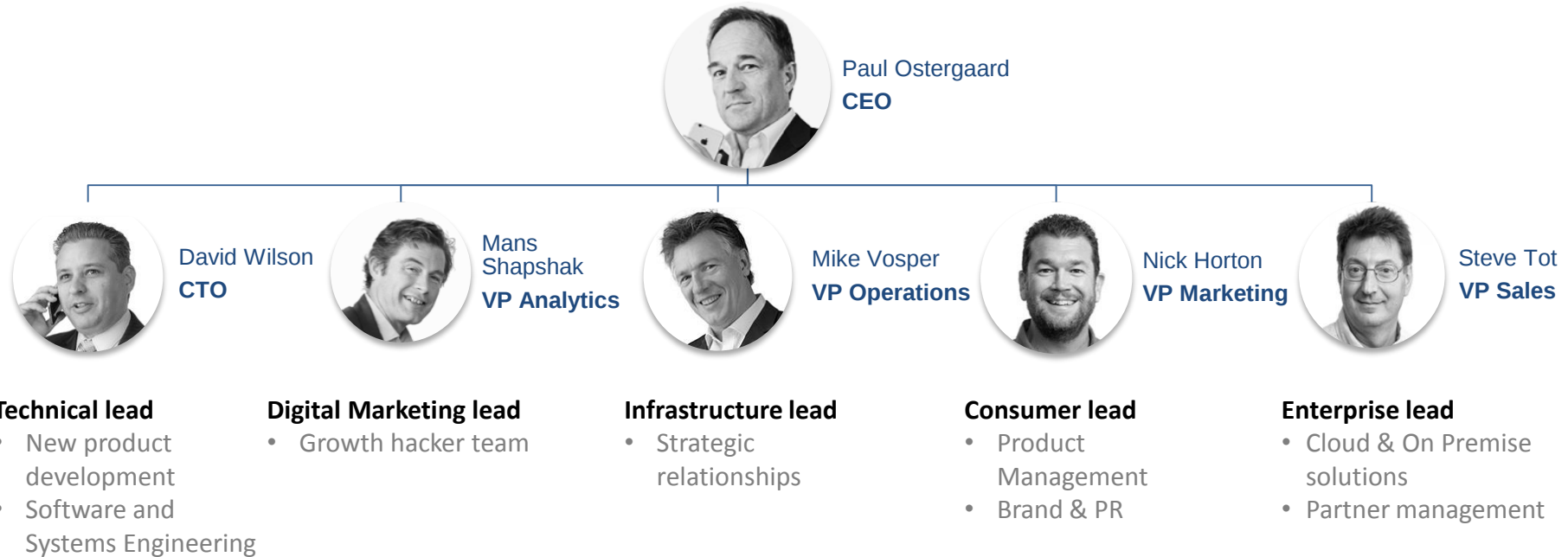
Mike Edwards

Non Executive Chairman



- Over 20 years Senior Management experience in the private and public sector
- Former CEO, Monteray Mining Group and Former CEO and Exploration Manager for ASX listed Latitude Consolidated
- Non-Exec Director of Dawine Pty
- Consultant to Ventnor Capital

Senior Leadership Team



50+ Years Cumulative Start-up Experience
75+ Years Cumulative Telco Industry Experience

Conclusion



1. A scalable business model

Communications-as-a-Service (CaaS) revenue model, requiring minimal CAPEX and OPEX – targeting carrier partners for scale



2. A monetisable App Store presence

A\$ 500,000 in generated revenue – just in the past six months
Most downloaded Travel App in 109 of 154 App Store countries
Top grossing Travel App in 117 of 154 App Store countries



3. Evolving first-mover corporate roaming solution

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



4. Cloud-based disruptive technology

Norwood is leveraging the Sharing Economy to connect roaming business travellers to local high-quality telecommunications networks – delivering large savings



2014

Sold to Japan's
Rakuten for
US\$900m

300m users

~US\$3 per user



2014

Sold to Facebook
for US\$19bn

450m users

~US\$42 per user



2014

Estimated value
US\$13bn¹

580m users

~US\$22 per user

truophone

2013

23.3% private
investment;
implied valuation
US\$470m

400 businesses
signed up

~US\$1.2m per
business



2011

Sold to Microsoft
for US\$8.5bn

170m users

~US\$50 per user

Note:

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



A World Leader in 'Sharing Economy' Telco Services

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Appendix

A number of consumer mobile app industry metrics may be referred to in this presentation, alongside traditional financial metrics. For the benefit of readers, these metrics are defined further below.

Revenue for mobile apps refers to gross revenue earned from sale of the application to the consumer, i.e. prior to any commission, allocation, sales share or overhead etc. taken by an app store such as the Apple iTunes App Store for iOS or Google Play Store for Android. Typically, these app stores levy an overhand of circa 30% of revenue.

“Consumable” versus “Subscription” Revenue discusses the split between purchases that are one off in nature such as additional calling minutes inside World Phone, or future booking.com commissions and subscription revenue which is primarily comprised of leasing local numbers, and plans such as the ultimate flat rate monthly plan available on World Phone. One off revenue, such as purchasing additional calling minutes, is still classed as one off even if the same user makes multiple purchases in the same month, or regular purchases over an extended period of time.

Revenue Annual Run Rate refers to the approximate Annual Revenues from World Phone that would be received, should the current weekly average revenue continue unchanged (along with similar Foreign Exchange Rates) for a full 12 month period. As World Phone has only been on sale since 31 July 2015, an annual figure for sales is not yet available. This metric is NOT a forecast of future revenues, but an illustration to assist investors in determining the significance of current weekly revenue figures.

Customer Acquisition Cost (CAC) is defined as the fully attributed marketing and sales expense associated in convincing a customer to buy a product/service.

Lifetime Revenue (LTV) is defined as the dollar value of a customer relationship, based on the present value of the projected future cash flows from the customer relationship.

Average Revenue per User or ARPU is simply the total amount of revenue earned divided by the number of users over the relevant period, such as weekly or monthly. In the industry, a monthly period is most commonly used. Given the large numbers of non-paying users present in any consumer mobile app, *average* revenue figures will always be much lower than available spending options as the revenue from spending users is averaged out across the entire user base. Typically, only a few per cent of a consumer mobile app user base will spend money on a mobile app after downloading the app for free.

Engaged Users refers to users who have done more than simply download a mobile app, i.e. they have opened and used the app on their mobile device at least. Engaged Users cease to be counted as engaged if they have not interacted with the app for a given time period. **Engagement** similarly refers to users actually using the app, rather than simply downloading the app.