NORWOOD SYSTEMS LIMITED
ACN 062 959 540
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 26 September 2018 (**Prospectus**) issued by Norwood Systems Limited (ACN 062 959 540) (**Company**).

This Supplementary Prospectus is dated 29 October 2018 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic copy and may be accessed on the Company's website at www.norwoodsystems.com.

The Company will send a copy of the Supplementary Prospectus to all Eligible Shareholders who have applied for Shares pursuant to the Prospectus prior to the date of this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

1. REASON FOR SUPPLEMENTARY PROSPECTUS

The purpose of this Supplementary Prospectus is to provide Eligible Shareholders with an update on the Underwriting Agreement between the Company and Pinnacle Corporate Finance Pty Ltd in relation to the Offer.

2. UNDERWRITING AGREEMENT IN RELATION TO THE OFFER

As announced to the ASX by the Company on 23 October 2018, one of the termination events in the Underwriting Agreement has been triggered. Clause 10.2(b) of the Underwriting Agreement states that the Underwriter may terminate its obligations under the Underwriting Agreement if:

> *"(**Indices fall**): the S&P ASX 200 Index closes on any 2 Business Days from the date of this Agreement a level that is 5% or more below the level of the Index at the close of trading on the Business Day before the date of this Agreement"*.

Due to the S&P ASX 200 Index closing on 2 or more Business Days from the date of the Underwriting Agreement (being 23 September 2018), at a level 5% or more below the level of that index at the close of trading on the Business Day before the date of the Underwriting Agreement (being 21 September 2018), a termination event under clause 10.2(b) of the Underwriting Agreement has been triggered.

The Underwriting Agreement between the Company and the Underwriter remains in place, however the Underwriter now has a right of termination and is not obligated to underwrite the Offer. As at the date of this Supplementary Prospectus, the Underwriter has not advised the Company that it intends to terminate the Underwriting Agreement.

The Company notes that the closing Share price on the business day immediately prior to the date of lodgement of this Supplementary Prospectus was $0.005, which is the same price at which Shares are being offered under the Offer, being $0.005.

3. WITHDRAWAL OF PREVIOUS APPLICATIONS

In accordance with section 724(2) of the Corporations Act, any applicant that applied for Shares under the Prospectus (**Existing Applicant**), may withdraw their application and be repaid their application monies, provided that the Existing Applicant gives the Company written notice of their wish to do so on or before 29 November 2018.

Any repayments made by the Company due to an Existing Applicant exercising their right to withdraw their application will be made in full without interest.

An Existing Applicant who wishes to withdraw their application and obtain a refund must submit a written request to the Company's share registry by mail or delivery so that it is received within 1 month of the date of this Supplementary Prospectus (i.e. **by the close of business on 29 November 2018**).

4. NEW APPLICATIONS

Applications for Shares under the Offer after lodgement of this Supplementary Prospectus **must** be made using the Application Form attached to or accompanying this Supplementary Prospectus.

The Company's share registry, Link Market Services Limited, will have customised Application Forms titled "Supplementary Prospectus – Offer Application Form" attached to this Supplementary Prospectus when mailed and will also be available to be downloaded from their website linkmarketservices.com.au on or around 1 November 2018.

Applications for Shares under the Offer after lodgement of this Supplementary Prospectus will not be entitled to be issued a refund on the terms set out for Existing Applicants in Section 3 above.

5. INDICATIVE TIMETABLE

The Indicative Timetable in Section 2 of the Prospectus is amended as follows:

Securities quoted on a deferred settlement basis	19 November 2018
Last day to extend the Closing Date	20 November 2018
Closing Date (5:00 pm WST)	23 November 2018
ASX (and Underwriter) notified of under subscriptions and last day for Underwriter to subscribe or procure subscriptions for Shortfall Securities	28 November 2018
Issue date/date Securities are entered into Shareholders' security holdings	30 November 2018
Quotation of Securities issued under the Offer	3 December 2018

6. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

Paul Ostergaard
Managing Director
For and on behalf of
NORWOOD SYSTEMS LIMITED