

20 March 2019

Norwood receives commitment for a \$200,000 placement

Highlights

- Norwood receives a commitment for \$200,000 placement, in addition to the current underwritten rights issue for \$1.1m
- APSEC Funds Management, Norwood's second largest shareholder, will receive 66,666,667 shares in Norwood at \$0.003 with free attaching NOROA options to raise \$200,000
- CEO, Paul Ostergaard, to take an immediate \$50,000 annual reduction in salary for 12 months or until a licensing deal is finalised, whichever occurs sooner
- Continued major interest in Norwood's **World Voicemail** product, including free-of-charge pilots, from a number of telcos and telco partners worldwide
- Norwood to remain focused on revenue generating contracts related to **World Voicemail**, as part of a renewed focus since the signing of a \$1.1m contract with Spark NZ

"Virtual Mobile Communications as a Service" pioneer Norwood Systems Ltd ("Norwood" or the "Company") (ASX: NOR) is pleased to announce a commitment from its second largest shareholder APSEC Funds Management Pty Ltd ("APSEC") for a \$200,000 placement (Placement). Settlement of the Placement is anticipated to occur on Friday 22 March 2019.

APSEC will receive 66,666,667 shares in Norwood at \$0.003 per Share to raise \$200,000 via the Atlantic Pacific Australian Equity Fund ("the Fund"). The Fund will also receive a 66,666,667 one (1) for one (1) free attaching NOROA options, and a further fee of 15,000,000 NOROA options, both subject to shareholder approval.

Norwood's CEO and Managing Director Paul Ostergaard has agreed to take an immediate \$50,000 reduction in salary on an annualised basis, pro-rata'd daily for one (1) year from the date of the Placement or until a material licensing deal is announced, whichever occurs earlier.

The Placement terms have been agreed by Pinnacle Corporate Finance Pty Ltd ("Pinnacle"), the underwriters of the current \$1.1m rights issue announced on 5 March 2019, for this event to not trigger a termination event of the underwriting agreement, where applicable. The total quantum of the underwritten rights issue remains unchanged at \$1.1m, therefore the Placement is cumulative to the total working capital to be provided to the Company, however as a result of the increase in share capital the rights issue will now be partially underwritten to \$1.1m, not fully underwritten. The Company has agreed with the Underwriter to change the rights issue to be completed on a non-renounceable basis.

Net proceeds from the placement will be geared towards pursuing material licensing deals and revenue generating contacts related to **World Voicemail**. The Company is seeing a robust commercial interest in **World Voicemail**, and discussion remain on foot with a number of telcos and telco partners worldwide.

Paul Ostergaard, CEO and Managing Director commented on the Placement "We are becoming more targeted in our commercialisation strategy and focusing on World Voicemail since the successful traction it has received. This Placement by APSEC is further validation of our technology and our current strategy for the Company. We are looking forward to continuing a rigorous cost control exercise and pursuing potential revenue generating contracts. I look forward to keeping the market informed on our progress."

A Prospectus in respect of the underwritten rights issue will be lodged with ASIC and ASX shortly.

<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 platform, Corona® and Apps, World Phone®, World Message™, World Secure™, World Wi-Fi™ and World Voicemail™.



Norwood's App Portfolio

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 and has achieved a 4+ App Store rating on all published Apps.

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