

ASX ANNOUNCEMENT

13 May 2019

Closure of Rights Issue & Notice of Shortfall

“Virtual Mobile Communications as a Service” pioneer Norwood Systems Ltd (“Norwood” or the “Company”) (ASX: NOR) is pleased to announce that the partially underwritten, pro-rata non-renounceable entitlement issue (“Entitlement Issue”) closed on 8 May 2019. The Entitlement Issue provided existing shareholders an opportunity to acquire one fully paid ordinary share in the capital of the Company (“Share”) for every four existing Shares held at the Record Date, being up to 377,796,853 Shares, at an issue price of \$0.003, plus one additional free attaching option for every one Share issued (with an exercise price of \$0.008 and expiring on 31 October 2020) (“Option”) to raise \$1.1m (before costs).

The Company received valid applications from shareholders under the Entitlement Issue for 96,595,292 Shares and 96,595,292 Options at a total subscription price of \$289,786. The Company also received valid applications from existing shareholders for 24,958,490 Shares and 24,958,490 Options under the Shortfall Offer.

The results of the Entitlement Issue and new securities to be issued are:

	New Shares	New Options	Funds Raised
Number of Securities offered under the Entitlement Issue	377,796,853	377,796,853	\$1,133,391
Number of Securities accepted under the Entitlement Issue	96,595,292	96,595,292	\$289,786
Shortfall Securities	281,201,561	281,201,561	\$843,605

The Entitlement Issue is partially underwritten by Pinnacle Corporate Finance Pty Ltd (“Pinnacle”) for the amount of \$1,083,391. Accordingly, Pinnacle will subscribe for 239,576,404 Shares and 239,576,404 Options under the Shortfall Offer.

The allocation of the Shortfall Securities, including the balance of 16,666,667 non-underwritten Shares and Options, will be made in consultation with Pinnacle. The Shortfall Offer will remain open for up to three months following the closing date of the Entitlement Issue, however it is anticipated that the allotment of the Shortfall Securities and receipt of all funds raised will occur within the next week.

In accordance with the timetable for the Entitlement Issue, the Company intends to issue the Shares and Options in respect of which valid applications have been received on 14 May 2019. It is anticipated that the Shares and Options will commence trading on the ASX on 15 May 2019. The Company will apply for listing of the Options under the existing code NOROA.

The Board thanks shareholders for their continued support.

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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 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 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.