ASX ANNOUNCEMENT

25 October, 2023

Norwood completes successful $710,000 Capital Raising

- **Norwood has completed a heavily over-subscribed placement to sophisticated and professional investors to raise $710,000 (before costs) to fund strategic market expansion efforts, accelerated product development, customer experience enhancements, operational efficiency improvements and the pursuit of strategic partnerships:**

Norwood Systems Ltd (ASX: NOR), a leading Communications Platforms as a Service (CPaaS) provider, is pleased to announce that it has received a letter of firm commitments from ACNS Capital Markets Pty Ltd ATF The ACNS Unit Trust trading as **Alto Capital** ("Alto Capital") engaged by the Company in relation to a capital raising of $710,000 (before costs) via issue of 17.75 million fully paid ordinary shares (ASX: NOR) at $0.04 per share, with a free attaching unquoted option issued on a 1 for 1 basis exercisable at $0.05 per option expiring 31 October 2025.

The Placement will be completed using the Company's available capacity under ASX Listing Rules 7.1.

Alto Capital, as appointed corporate advisor, will receive a cash fee of 6% of the total gross proceeds of the Placement. In addition, the Company will issue of 1.5 million options to Alto Capital as a success fee, exercisable at $0.05 per option and expiring 31 October 2025.

All directors have notified the company that they intend to apply for placement shares and options which shareholder approval will be sought at the upcoming Annual General Meeting. Balmain Resources Pty Ltd (ACN 076 375 203), an entity associated with Dr John Tarrant, a Director has indicated it will participate in the placement of up to $100,000. Philip Marsland, a Director has indicated he will participate in the placement of up to $100,000 , Philip Otley, a Director has indicated he will participate in the placement of up to $10,000 and Paul Ostergaard, a Director has indicated he will participate in the placement of up to $10,000.

An appendix 3B follows this announcement with securities expected to be allotted by 3 November 2023 except the director placement securities that require shareholder approval.

Funds raised from the Placement will be applied to expand Norwood's sales and marketing reach, accelerate its product development efforts, enhance its products' customer experience, increase operational efficiency, and pursue fruitful partnership opportunities.

Indicative Capital Structure:

Following the completion of the Placement the Company's capital structure will appear as follows:

Security	Number	Amount raised (before costs)
Shares		
Existing Shares on issue	414,532,781	
New Shares to be issue pursuant to the Placement	17,750,000	$710,000
Total Shares on issue on completion of the Offer	**432,282,781**	
Options		
Existing Options on issue exercisable at $0.08 exp 31 Dec 2024 Quoted (ASX:NOROD)	107,464,414	
Existing Options on issue exercisable at $0.024 exp 31 Dec 2023	42,905,763	
Existing Options on issue exercisable at $0.04 exp 13 Jul 2026	7,500,000	
Existing Options on issue exercisable at $0.024 exp 8 Feb 2025	15,000,000	
Incentive Options exercisable at $0.04 exp 13 Jul 2026	5,000,000	
Incentive Options exercisable at $0.024 exp 18 Nov 2025	30,000,000	
New Options to be issued pursuant to the Placement exercisable at $0.05 exp 31 Oct 2025	17,750,000	
New Options to be issued to Alto Capital exercisable at $0.05 exp 31 Oct 2025	1,500,000	
Total Options on issue on completion of the Offer	**227,120,177**	
Performance rights		
Existing Performance Rights	10,000,000	
Total Performance Rights on completion of the Offer	**10,000,000**	

Norwood's CEO and Founder, Paul Ostergaard commented:

"This capital raising represents a significant milestone for Norwood, and we are deeply gratified with the vote of confidence from both our existing and our new shareholders. The overwhelming support and interest reinforces the credibility of our vision and strategy.

"We're looking forward to deploying this capital in support of our strategic go-to-market initiatives, including expanding our service reach, accelerating product development, investing in customer experience improvement, enhancing our long term AI platform development and further solidifying our standing as a vendor to the Communications Service Provider sector.

"I want to extend my gratitude to the team at Alto Capital for their strategic counsel and look forward to our journey together in reshaping voice and messaging capabilities for the Gen AI era."

This announcement has been authorised for public release by the Board of Norwood Systems.

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About Norwood Systems

Norwood Systems is an Australian public company that offers novel and highly advanced cognitive AI platforms for voice and messaging capabilities to service providers, businesses, and consumers. Its CogVoice platform applications include Voicemail, Call Screener and Jobs Agent. Norwood's services are aimed at a diverse range of end-users from individual consumers and SOHO business users to larger communication service providers.

Since launching in 2014, Norwood has served over 6 million customers in 200+ countries and territories and 5000+ cities worldwide. The company was listed on the Australian Stock Exchange (ASX) in June 2015 and trades under the ticker symbol NOR.