



24 April 2019

Company Announcements Platform
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

Norwood Systems Limited (ACN 062 959 540) (ASX: NOR) (the Company) is pleased to advise that it has completed the allotment of 87,526,019 fully paid ordinary shares in the capital of the Company (Shares) to Pinnacle Corporate Finance and/or its clients (Pinnacle) at \$0.003 per share. Norwood has placed 10,295,612 shares under the placement capacity available to the Company under ASX Listing Rule 7.1 and 77,230,407 shares under its 7.1A placement capacity, to raise approximately \$262,000.

Please refer enclosed Appendix 3B for further information.

Net proceeds from the Placement will be utilised towards pursuing material licensing deals and revenue generating contracts related to World Voicemail. This Placement is in addition to the Entitlement Issue announced on 5 March 2019, and a supplementary prospectus in respect of the partially underwritten rights issue will be lodged with ASIC and ASX shortly.

Recently, Norwood has been developing relationships with two significant telco vendors (Oracle plus one other vendor) whose offerings complement Norwood's World Voicemail solution. Both of these parties have responded very positively to Norwood's recent telco voicemail contract win, demonstrating a genuine intent (from Norwood's perspective) to strike go-to-market deals with Norwood to address the telco voicemail network upgrade market opportunity. Norwood expects both of these relationships to evolve into formal partnership structures, with very positive discussions advancing to date. Norwood's goal in partnering with these two vendors is to augment Norwood's own direct telco sales efforts for its visual voicemail platform. Each of these vendors have hundreds of existing telco relationships and they therefore each represent a robust indirect channel opportunity to boost Norwood's traction in the worldwide telco market. As such partnership structures are formalised this quarter, Norwood will make appropriate announcements, and will elaborate on the "go-to-market" plans that each partnership will address.

Information Required Under Listing Rule 3.10.5A

The Company provides the following information as required under ASX Listing Rule 3.10.5A in respect of the shares issued under the Company's 10% Placement Capacity under Listing Rule 7.1A on 24 April 2019.

a) The dilutive effect of the Placement on existing shareholders is as follows:

	Shares	Dilution
Number of shares on issue prior to the Placement	1,511,187,411	94.53%
Shares issued under LR 7.1	10,295,612	0.64%
Shares issued under LR 7.1A	77,230,407	4.83%
Total shares on issue post placement	1,598,713,430	100.00%
Total dilution	-	5.47%

- b) The 77,230,407 shares issued under Listing Rule 7.1A were issued to sophisticated and professional investors under a placement as it was considered to be the most efficient mechanism for raising capital for the Company at the time;
- c) There were no underwriting arrangements entered into in respect of the Placement; and
- d) Broker commissions for the Placement was 6% (plus GST) of total funds raised.

Notice pursuant to Section 708A(5)(e) of the Corporations Act 2001

The Company gives notice pursuant to section 708A(5)(e) of the *Corporations Act 2001* (Cth) (Corporations Act) that:

1. The Company issued the Shares without disclosure under Part 6D.2 of the Corporations Act;
2. The Company will make offers to issue fully paid ordinary shares under an Entitlement Issue without disclosure to investors under Part 6D.2 of the Corporations Act;
3. As at the date of this notice, the Company has complied with:
 - a. The provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - b. Section 674 of the Corporations Act; and
4. As at the date of this notice, there is no information to be disclosed which is excluded information of the type referred to in Sections 708A(7) and 708A(8) of the Corporations Act.

Yours sincerely

Steven Wood
Company Secretary
Norwood Systems Limited

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Norwood Systems Limited

ABN

15 062 959 540

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|----------------------------|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 87,526,019 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes
5	Issue price or consideration	\$0.003 per share
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	Issued in respect of a Placement.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	29 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	10,295,612
6d	Number of +securities issued with security holder approval under rule 7.1A	77,230,407

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil						
6f	Number of +securities issued under an exception in rule 7.2	Nil						
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes Issue Date: 24 April 2019 Issue Price: \$0.003 15 day VWAP as at 24 April 2019 = \$0.003 75% of 15 day VWAP = \$0.002 Capital raising announced 24 April 2019 Source: Comsec						
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A						
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer to Annexure 1						
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	24 April 2019						
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>1,598,713,430</td><td>Ordinary shares</td></tr><tr><td>109,040,259</td><td>NOROA Listed options (\$0.008, 31 October 2020)</td></tr></table>	Number	+Class	1,598,713,430	Ordinary shares	109,040,259	NOROA Listed options (\$0.008, 31 October 2020)
Number	+Class							
1,598,713,430	Ordinary shares							
109,040,259	NOROA Listed options (\$0.008, 31 October 2020)							

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>9,500,000</td><td>Unlisted options (\$0.198, 27 November 2020)</td></tr><tr><td>9,500,000</td><td>Unlisted options (\$0.297, 27 November 2020)</td></tr><tr><td>5,000,000</td><td>Unlisted options (\$0.135, 27 November 2020), vesting 27 November 2018</td></tr><tr><td>2,650,000</td><td>Unlisted options (\$0.057, 2 August 2021) (subject to vesting conditions)</td></tr><tr><td>2,500,000</td><td>Unlisted options (\$0.023, 15 December 2020)</td></tr><tr><td>2,500,000</td><td>Unlisted options (\$0.028, 15 December 2020)</td></tr><tr><td>8,000,000</td><td>Unlisted ZEPO's, expiring 14 December 2020</td></tr><tr><td>1</td><td>Convertible note with a face value of \$300,000. Refer ASX Announcement 5 March 2019.</td></tr></table>	Number	⁺ Class	9,500,000	Unlisted options (\$0.198, 27 November 2020)	9,500,000	Unlisted options (\$0.297, 27 November 2020)	5,000,000	Unlisted options (\$0.135, 27 November 2020), vesting 27 November 2018	2,650,000	Unlisted options (\$0.057, 2 August 2021) (subject to vesting conditions)	2,500,000	Unlisted options (\$0.023, 15 December 2020)	2,500,000	Unlisted options (\$0.028, 15 December 2020)	8,000,000	Unlisted ZEPO's, expiring 14 December 2020	1	Convertible note with a face value of \$300,000. Refer ASX Announcement 5 March 2019.
Number	⁺ Class																			
9,500,000	Unlisted options (\$0.198, 27 November 2020)																			
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8,000,000	Unlisted ZEPO's, expiring 14 December 2020																			
1	Convertible note with a face value of \$300,000. Refer ASX Announcement 5 March 2019.																			
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A																		

Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	<p>Names of countries in which the entity has security holders who will not be sent new offer documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do security holders dispose	

+ See chapter 19 for defined terms.

of their entitlements (except by sale through a broker)?

33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A	
39	+Class of +securities for which quotation is sought	N/A	
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A	
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: [lodged electronically without signature]
..... Date: 24 April 2019
(~~Director~~/Company Secretary)

Print name: Steven Wood
.....

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,247,430,387
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	27/4/2018 – 48,560,000 – share purchase plan 30/4/2018 – SPP Shortfall (underwritten) – 31,440,000 15/6/2018 – 98 – conversion of performance shares on expiry 14/12/2018 – 109,040,259 – 2 for 11 entitlement issue 14/12/18 – 2,500,000 – conversion of ZEPO's
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	1,438,970,744

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	215,845,612
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	14/12/18 – 3,350,000 – advisory shares 01/03/19 – 2,200,000 – advisory shares 01/03/19 – 100,000,000 – maximum shares potentially issued on conversion of convertible note 01/03/19 – 100,000,000 - maximum options potentially issued on conversion of convertible note 24/04/2019 – 10,295,612 - placement
“C”	215,845,612
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	215,845,612
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	205,550,000
Total [“A” x 0.15] – “C”	Nil <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,438,970,744
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	143,897,074
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	22/03/19 – 66,666,667 – Placement 24/04/2019 - 77,230,407 - Placement
“E”	143,897,074

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	143,897,074
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	143,897,074
Total [“A” x 0.10] – “E”	Nil <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.