

ASX ANNOUNCEMENT

12 December 2018

Closure of Rights Issue

“Virtual Mobile Communications as a Service” pioneer Norwood Systems Ltd (“Norwood” or the “Company”) (ASX: NOR) is pleased to announce that the entitlement issue closed successfully on 7 December 2018. The entitlement issue provided existing shareholders an opportunity to acquire 2 new shares for every 11 existing shares held at an issue price of \$0.005, plus one additional free attaching Option for every one share issued (with an exercise price of \$0.008 and expiring on 31 October 2020) to raise \$1.21m (before costs).

The Company received valid applications from shareholders under the Entitlement Issue for \$319,821.00. In addition, existing shareholders submitted applications for a further \$225,380.30. This total of \$545,201.30 will be allotted in accordance with the Entitlement Issue timetable.

The entitlement issue was previously underwritten by Pinnacle Corporate Finance Pty Ltd (“Pinnacle”). Subsequent to the closing of the entitlement offer, Pinnacle have provided the Company with a notice of termination of the underwriting agreement. Please refer to the Supplementary Prospectus lodged with the ASX on 29 October 2018 for further background on the termination clause that was triggered. As a result, the Board advises it is now considering the process of how to allocate the shortfall from the Entitlement Issue, being \$661,568.68 (“Shortfall”). Pinnacle have provided the Company with a revised mandate to undertake to use their best endeavours to place the Shortfall pursuant to the Entitlement Issue. Should any shareholders or investors wish to participate in the Shortfall placement, please contact the Company to register your interest.

In accordance with the timetable for the Entitlement Issue, the Company expects that holding statements in respect of the Entitlement Issue securities will be dispatched to shareholders on 14 December 2018. It is anticipated that the new securities will commence trading on the ASX on 17 December 2018. A total of 109,040,259 shares and 109,040,259 options will be issued. The Company will apply for listing of the Options.

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.