

ASX ANNOUNCEMENT

23 June 2022

NORWOOD RAISES ADDITIONAL \$0.2M IN CONVERTIBLE NOTES FROM DIRECTOR

Norwood Systems Ltd (Norwood or the Company) (ASX: NOR) is pleased to announce it has executed a deed of variation to a convertible note binding term sheet for an additional 200,000 convertible notes with a face value of \$1 each to Balmain Resources Pty Ltd, a Company controlled by Non-executive Director Dr John Tarrant, to raise \$200,000 for the Company. The initial convertible note was executed and announced to ASX on 28 March 2022.

The principal terms and noted variations of the Convertible Notes are:

- Shareholder approval: The issue of the Convertible Notes was made on the signing of the Terms Sheet and deed of variation to the term sheet, but the conversion of the Convertible Notes into Shares is subject to and conditional upon the Company obtaining all approvals required pursuant to the ASX Listing Rules (including ASX Listing Rule 7.1), the Corporations Act and any other applicable law;
- Conversion: The convertible notes are automatically deemed to convert into Shares and Options on receipt of the Shareholder Approval or otherwise redeemed by 30 June 2022, this date has now been varied to 31 August 2022;
- Principal amount increased from \$280,000 to \$480,000;
- Number of convertible notes increased from 280,000 to 480,000
- Maturity Date: 30 June 2022, has now been varied to 31 August 2022;
- Face Value: \$1 per note;
- Interest: Nil;
- Conversion price: Each Convertible Note will be convertible into Shares at a conversion price of \$0.015 (1.5 cents) (Conversion Price) Plus a free attaching Option per Share issued on conversion (Conversion Options), exercisable at \$0.024 (2.4 cents) per option expiring 31 December 2023; and
- Security: The Convertible Notes are unsecured.

The Company intends to seek relevant shareholder approval at a General Meeting to be convened to enable the conversion of convertible notes to shares and options, pursuant to the above terms to occur no later than 31 August 2022.

The proceeds of the additional Convertible Notes will further improve the Company's working capital position.

Paul Ostergaard, Managing Director commented:

"We appreciate John's ongoing support of the Company. The additional funds will strengthen the Company, providing flexibility to progress additional opportunities".

An Appendix 3B follows this announcement for the proposed issue of securities.

Authorised for release by Paul Ostergaard, CEO and Managing Director.

<ENDS>

Company: Paul Ostergaard , CEO & Founder Office: +61 8 9200 3500 Web: www.norwoodsystems.com Twitter: @norwoodsystems	Investor Relations: Shane Murphy , FTI Consulting Office: +61 8 9485 8888 email: shane.murphy@fticonsulting.com Mobile: +61 420 945 291 Twitter: @ShaneWMurphy
--	---

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 platforms 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.

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