



ASX ANNOUNCEMENT

29 August 2022

Unmarketable Parcel Share Sale

Norwood Systems Limited (Norwood or the Company) (ASX: NOR) announces that it is establishing an opt-out unmarketable parcel sale facility (**Facility**) for shareholders who hold less than \$500 worth of fully paid ordinary shares in the Company (**Shares**) (**Unmarketable Parcel**).

As at market close on the 26 August 2022 (**Record Date**), an unmarketable parcel of shares in the Company is any shareholding of 33,333 ordinary shares or less, based on the closing price of \$0.015 cents per share. This represents 9,178,312 ordinary shares of the Company, held by 1,937 shareholders (**Sale Shares**).

The Company has appointed ACNS Capital Markets Pty Ltd T/A Alto Capital (**Alto**) to effect any sales under the Facility. As required by the Company's Constitution, Shares will be sold under the Facility for not less than the simple average of the last closing prices of Shares sold on ASX for each of the ten trading days immediately preceding the date of any sale offer the Company receives for the Shares. Alto has the discretion to allocate any unsold Shares, at the same sale price per Share, firstly to its clients and secondly to the Company's directors and officers who wish to participate, subject to there being no trading restriction under the Company's corporate governance rules applicable at the time.

In accordance with the Company's Constitution and ASX Listing Rules, the attached letter and Share Retention Form will be sent to all shareholders holding an Unmarketable Parcel of shares as at the Record Date.

Holders of Unmarketable Parcels who wish to retain their shares can either:

- a. Elect to retain their shares by returning the Share Retention Form; or
- b. If they have multiple holdings, consolidate these under a single HIN/SRN such that the combined shareholding is greater than \$500; or
- c. Purchase additional shares under the same HIN/SRN such that their shareholding value is greater than \$500.

Shareholders wishing to take advantage of the Facility and have their shares sold by the Company **do not** need to take any action. These shares will be sold and the proceeds sent to them in accordance with the Company's Constitution.

The Company is providing the Facility so that holders of Unmarketable Parcels can have their shares sold without incurring any brokerage or handling costs that could otherwise make a sale of their shares uneconomic and/or difficult. The Company will organise remittance of sale proceeds for those shareholders who participate in the Facility.

The Company values all of its shareholders, however by making this Facility available the Company expects to reduce the significant administrative costs associated with maintaining a large number of small holdings.

A summary of the key dates in relation to the Facility is as follows:

Event	Date ¹
Record Date for determining Unmarketable Parcels	26 August 2022
Announcement to ASX regarding Unmarketable Parcels	29 August 2022
Letters sent to shareholders holding Unmarketable Parcels	31 August 2022
Closing Date for receipt of Share Sale Facility Form	14 October 2022
Estimated unmarketable parcels payment date	Within 14 days after all of the Sale Shares have been sold

¹The Company may modify these dates or suspend or terminate the Facility. Any modification, suspension or termination will be notified to shareholders by way of a market announcement.

Attached is a copy of the letter that will be sent to all shareholders holding an Unmarketable Parcel of the Company's shares as at the Record Date.

Authorised for release by the Board.

<ENDS>

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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 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.

Dear Shareholder,

IMPORTANT NOTICE – INTENTION TO SELL SHARES OF LESS THAN MARKETABLE PARCEL

The Board of Directors of Norwood Systems Limited (**Company**) advises that the Company will commence the process for the sale of ordinary shares in the Company (**shares**) for holders who hold less than a marketable parcel (defined in the ASX Listing Rules as a parcel of securities of not less than \$500) (**Less Than Marketable Parcel Facility**).

This Facility applies to shareholders who at 5:00pm (AWST) on 26 August 2022 (**Record Date**) were holders of the Company's shares valued at less than \$500. Based on the closing price of the Company's shares on ASX of \$0.015 cents per share on the Record Date, a Less Than Marketable Parcel is any holding of 33,333 shares or less.

Our records show that you are the holder of a Less Than Marketable Parcel as at the Record Date and, accordingly, your shareholding falls within the scope of this Facility.

If you participate in the Unmarketable Parcel Sale Facility, you cannot specify the price at which your Shares will be sold and you will not have control over the time at which your Shares are sold, but your Shares will be sold as soon as practicable after 14 October 2022.

As required by the Company's Constitution, Shares will be sold under the Facility for not less than the simple average of the last closing prices of Shares sold on ASX for each of the ten trading days immediately preceding the date of any sale offer the Company receives for the Shares. The price that you will receive for each of your Shares sold through the Facility will be the average price of all Shares sold through the Facility.

The Company is offering this Facility as it provides the following benefits:

- Holders of a Less Than Marketable Parcel can have their shares sold without incurring any brokerage or handling costs which, in proportion to the value of their holding, may otherwise render a sale unattractive or uneconomical; and
- The Company's expenses and administration involved in maintaining shareholdings of a Less Than Marketable Parcel is reduced.

If you Want Your Shares Sold

If you want your shares sold under the Facility and you want the proceeds of sale sent to you by cheque you need to do nothing.

If you would like for the proceeds of sale to be directly transferred to a bank account, you need to complete and return the enclosed Share Sale Facility Form so it is received by 5:00pm (AWST) on 14 October 2022, being the **Closing Date for receipt of the Share Sale Facility Form**. Please read the instructions on your Share Sale Facility Form carefully before completing it.

The Company is authorised under its Constitution to sell your shares following the Closing Date. Your shares will be pooled with other shares under this Facility and sold as soon as practicable after the Closing Date. Your shares will not be sold if the value of your shareholding has increased to \$500 or more on the Closing Date.

If you Wish to Retain Your Shares

If you wish to retain your shareholding in the Company, either:

- a. You will need to make your own arrangements outside this Facility to purchase additional shares so that you are the registered holder of shares valued at \$500 or more at 5.00pm (AWST) on the Closing Date, which based on the closing price of the Company's shares on ASX of \$0.015 cents per share on the Record Date is 33,333 shares. For a purchase to be an effective notification that you wish to retain your shares, any additional shares purchased must be registered by 5:00pm (AWST) on the Closing Date under the same name and address and with the same holder number (SRN or HIN) as set out in this letter.

or

- b. If you have multiple holdings, consolidate these under a single HIN/SRN:

You will need to contact the Company's share registry, Advanced Share Registry on +61 (08) 9389 8033 between the hours of 9.00am and 5.00pm (AWST) Monday to Friday and arrange for them to combine your multiple holdings under a single HIN/SRN such that the combined shareholding at 5.00pm (AWST) on the Closing Date is valued at \$500 or more;

or

- c. Complete and return the enclosed Share Retention Form:

Complete and return the enclosed Share Retention Form so that it is received by 5.00pm (AWST) on the Closing Date. Please read the instructions on your Share Sale Facility Form carefully before completing it.

Important Information

All costs associated with the sale of your shares will be borne by the Company. No brokerage will be payable by you.

The Company does not make any recommendation or provide any advice to you regarding whether to buy, sell or hold shares nor that this Facility is the best way to sell your shares in the Company. If you require advice as to whether to sell or retain your shares, please consult your legal, financial or taxation adviser.

Any tax consequences arising from the sale of your shares will be your responsibility.

The Company is not bound to sell any or all of the shares that may be available for it to sell under this Facility, and there is no guarantee that the Company will be able to sell your shares. Neither the Company nor any other person involved in the Facility shall be liable for failure to sell the shares or sell them at a particular price.

If your shares are held in a CHESS holding, the Company may, after the Closing Date, initiate a holding adjustment to move your shares to the issuer sponsored sub-register for the purpose of this Facility.

The Company reserves the right to vary, delay or terminate this Facility by notice to the ASX.

Please also note that the Company will not sell your shares in the event of an announcement of a takeover offer for the Company.

For further information about lodging your Share Sale Facility Form or the practical operation of the Facility, please contact the Company's share registry, Advanced Share Registry on +61 (08) 9389 8033 between the hours of 9.00am and 5.00pm (AWST) Monday to Friday or email the Company Secretary on stuart.usher@norwoodsystems.com.

Yours sincerely,

Stuart Usher
Company Secretary