

ASX ANNOUNCEMENT

14 October, 2022

Norwood and Spark NZ Update Their Voicemail Services Agreement

Highlights

- Norwood and Spark NZ have varied their November 2018 service agreement.
- The varied agreement (Agreement) covers Norwood's existing premium Spark Voicemail service offering.
- Pricing for the Spark Voicemail service itself has now been agreed for a further three years for the period 1 January 2023 to 31 December 2025.
- Revised maintenance charges have also been agreed for the three year period from 1 July 2023 to 30 June 2026. The maintenance charges have been adjusted to reflect New Zealand CPI increases.

'Communications Platforms as a Service (CPaaS)' pioneer Norwood Systems Ltd (Norwood or the Company) (ASX: NOR) is pleased to announce that it has varied its voicemail service agreement with long-term customer Spark NZ, initially announced to the ASX on 7th December 2018.

The scope of works under the updated Agreement covers Norwood's premium Spark Visual Voicemail service offering, the pricing terms of which have now been extended for a further three years. In particular, the updated Agreement sets out the fee structure for the voicemail service for the three-year period from 1 January 2023 to 31 December 2025 and for maintenance charges for the three-year period from 1 July 2023 to 30 June 2026.

The Agreement variation is a significant step in the continuing positive evolution of Norwood's longstanding relationship with Spark NZ.

As disclosed in the Company's 30 June 2022 annual report, since the financial year-end, Spark NZ has supplied the Company with new Purchase Orders totalling approximately NZD\$682,000 for expected end user subscription services and maintenance services to be purchased by Spark from Norwood in the FY 2023 period (compared to approximately NZD\$639,000 for services provided across FY2022).

By way of historical commentary, Norwood has worked with Spark NZ since 2018 to provide this operator with a Spark-branded version of Norwood's World Voicemail service and smartphone application, for use by Spark NZ subscribers, available on the New Zealand App Stores.

Spark NZ commenced promoting this branded version – Spark Voicemail – to its subscribers in March 2020 (refer to ASX announcement dated 4 March 2020), and a multi-site, geo-redundant on-premises visual voicemail solution in conjunction with other subcontractors was delivered in October 2020.

The service was then integrated into Spark NZ's virtualised network and compute infrastructure (refer to ASX announcement dated 16 October 2020).

Norwood's CEO and Founder Paul Ostergaard said the updated contractual arrangements with Spark NZ to cover three additional years following this current calendar year were a testament to the Company's relationship with Spark NZ and its growing track record and substantial development in the breadth and depth of its operational capabilities.

"Our partnership with Spark NZ continues to go from strength to strength as we demonstrate our industry-leading ability to deliver commercial-grade visual voicemail solutions that a substantial telco operator can rely on," Mr Ostergaard said.

"This latest Agreement, in tandem with the contracts we have recently secured to date via our Infosys global technology relationship, which included key services provided to a Tier 1 Australian telco operator, underpins a robust, diverse and expanding revenue base."

"We remain focused on growing the Company's revenue base through the development of advanced and highly innovative cognitive voice offerings that address the service provider market, and we continue to carefully manage our cost base to ensure our growing revenue base translates to enhanced underlying earnings over the long-term."

Authorised for release by Paul Ostergaard, Managing Director and CEO of Norwood

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About Norwood Systems

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Norwood Systems Ltd (ASX: NOR) is revolutionizing mobile voice and messaging through its ground-breaking cognitive AI services, delivered by its award-winning hyper-scale mobile service platforms and associated applications.

The Company's breakthrough offerings encompass an array of cognitive connectivity services, targeted at a broad spectrum of prospective customers from individual consumers through to Communication Service Providers.

Norwood has delivered services to more than 6 million end user customers since launching its platform in mid-2014, having serviced 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.