

Norwood Systems Limited

ABN 15 062 959 540

and its controlled entities



PRELIMINARY FINAL REPORT

30 June 2023

Corporate directory

Current Directors

Mr Paul Ostergaard	<i>Managing Director</i>
Mr Philip Marsland	<i>Non-executive Director</i>
Mr Philip Otley	<i>Non-executive Director</i>
Dr John Tarrant	<i>Non-executive Director</i>

Company Secretary

Mr Stuart Usher

Registered Office & Principal Place of Business

Street + Postal: 4 Leura Street
Nedlands, WA 6009

Telephone: +61 (0)8 9200 3500

Email: info@norwoodsystems.com

Website: www.norwoodsystems.com

Auditors

Hall Chadwick WA Audit Pty Ltd

Street: 283 Rokeby Road
Subiaco WA 6008

Telephone: +61 (0)8 9426 0666

Solicitors

Steinepreis Paganin

Street: Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Telephone: +61 (0)8 9321 4000

Share Registry

Advanced Share Registry Limited

Street + Postal: 110 Stirling Highway
Nedlands WA 6009

Telephone: 1300 113 258 (within Australia)
+61 (0)8 9389 8033 (International)

Facsimile: +61 (0)8 6370 4203

Email: admin@advancedshare.com.au

Website: www.advancedshare.com.au

Securities Exchange

Australian Securities Exchange

Street: Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Telephone: 131 ASX (131 279) (within Australia)

Telephone: +61 (0)2 9338 0000

Facsimile: +61 (0)2 9227 0885

ASX Code: NOR

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Company Update

1. Highlight

- Norwood strengthened its working capital position and balance sheet to support engagement with significant potential clients, including Tier 1 Communication Service Providers (**CSPs**).
 - The Company had a robust cash position of \$380,000 at 30 June 2023, and banked an additional \$270,000 of customer revenues in July 2023, and received a further \$121,000 in R&D tax factoring in August 2023.
- The Company continued to refine, enhance, and successfully market Norwood's AI-powered CogVoice™ platform during the financial year including the following.
 - Leveraged privileged beta access to the GPT-4 APIs by OpenAI for the development of CogVoice™ downstream applications.
 - These applications included the CogVoice Call Screener™ application, which Norwood successfully launched on the global AWS Partner Ecosystem Portal, gaining the coveted AWS Foundational Technical Review (**FTR**) Approval.
 - Norwood onboarded three new senior CSP sales contractors to accelerate Norwood's CogVoice go-to-market efforts in North America and Europe, which have already cultivated co-sale relationships with several leading cloud service providers.
 - Secured two North American Tier-1 CSP Proofs-of-Concept for Norwood's CogVoice offerings.
- The Company progressed work for long-term Norwood client, Spark NZ, as scheduled, under a Purchase Order agreement that extends contracted terms until at least the end of FY2026.
- Delivered new purchase orders from Spark NZ totalling NZD\$682,000 for FY2023 (compared to approximately NZD\$639,000 for FY2022).
- During the financial year Norwood appointed Ronan Dunne, former CEO of Verizon Consumer Group and O2, as a Strategic Advisor.
- The Company also advanced contractual negotiations for a substantial project with a Tier-1 Australian CSP, after successfully delivering a CogVoice-powered Proof-of-Concept (PoC) communications Solution under the global technology and services partnership with Infosys Limited.

2. Operational Review

As a Company, we are delighted to present the Norwood Systems Limited (**Norwood**) FY23 operational report.

During FY23, Norwood continued to make substantial investments in R&D and marketing to position itself at the forefront of the artificial intelligence revolution, offering brand new solutions to address the multi-billion global spam call problem^{1,2} and to provide new SOHO/SMB solutions for CSPs that help individual tradespeople or white-collar professionals to engage with their customers.

Norwood's core focus throughout the fiscal year to achieve this objective was the development of its CogVoice™ platform. CogVoice leverages the power of large language model AI to provide exceptional natural language fluidity and responsiveness, making the customer/caller engagement more streamlined and effective. With its low-cost implementation, best-in-class latency, and 4G/5G compatibility, CogVoice is the ideal solution for Communications Service Providers (**CSPs**) of all sizes.

CogVoice hit a number of key milestones over the year, including the successful execution of a Proof-of-Concept (**PoC**) for an Australian Tier 1 operator in partnership with Infosys, as well as securing two further North American Tier-1 CSP CogVoice PoCs in the second half of FY23.

Norwood is leveraging the core CogVoice technology, in tandem with its privileged beta access to the GPT-4 APIs by OpenAI, to develop CogVoice downstream applications that provide CSPs with valuable offerings that can help lift CSP revenue and drive monetisation of their customer base.

This includes the CogVoice Jobs Agent™, which Norwood has introduced to selected CSPs as an innovative application designed to support busy CSP subscribers in the SOHO/SME sector by revolutionising how professionals such as tradespeople and professionals engage with potential clients when they are unable to answer phone calls.

¹ CNBC report: <https://www.cnbc.com/2021/06/29/americans-lost-billions-of-dollars-to-phone-scams-over-the-pastyear.html>

² BBC report: <https://www.bbc.com/news/business-58926333>

Company Update

The CogVoice Jobs Agent intelligently interacts with callers, handles and organises incoming job opportunities, matching them to the service provider's skills profile using advanced LLM interference capabilities, and ensuring that valuable leads or prospects are not left unattended.

Norwood also launched the CogVoice Call Screener™ application, which Norwood successfully launched on the global AWS Partner Ecosystem Portal, gaining the coveted AWS Foundational Technical Review (**FTR**) Approval.

CogVoice Call Screener is an AI-LLM-powered tool that examines incoming calls at the voice interface level. It effectively identifies and eliminates potential scam or spam callers while ensuring that legitimate callers remain connected. The growing interest from CSP regulators in addressing call fraud, as evidenced by increased activity such as the recent consultation paper from CommReg in Ireland³, suggests that CSPs may be motivated to explore the potential of CogVoice Call Screener.

Attaining FTR approval underscores Norwood's expertise in delivering high-quality AWS-based solutions, enhancing the Company's competitive edge on the AWS Partner Ecosystem Portal.

Beyond CogVoice, Norwood progressed work for long-term client Spark NZ as scheduled, under a Purchase Order agreement that extends contracted terms until at least the end of FY2026.

For FY2023, Norwood delivered new purchase orders from Spark NZ totalling NZD\$682,000, versus approximately NZD\$639,000 for FY2022.

The relationship with Spark NZ continues to evolve positively, after an agreement between the Company and Spark NZ was initially announced in January 2020.

3. Corporate

Capital Raising

During FY23, and post-FY23, Norwood undertook a fully underwritten 1 for 10 non-renounceable Option Entitlement offer (**Entitlement Offer**) and Underwritten Option Placement offer (**Placement Offer**) in accordance with its replacement prospectus dated 15 June 2023 and supplementary prospectus dated 19 June 2023.

Balmain Resources Pty Ltd (**Balmain**), a Company that Director Dr John Tarrant controls had fully underwritten both Offers.

The Placement Offer included up to 66,356,636 options at an issue price of \$0.0025 per option to raise \$165,891. The Company received acceptances for a total of 58,859,150 new Options raising \$147,148, with the shortfall under the Offer being 7,497,486 (**Shortfall Options**).

The Entitlement Offer included up to 41,112,778 options at an issue price of \$0.002 per option to raise \$82,226. The Company received acceptances for a total of 23,849,619 new Options with additional 'Top Up' Options applied for totalling 50,373,454 options.

The Company therefore received oversubscriptions under the Offer of 33,110,295 options (**oversubscriptions**). Balmain as Underwriter together with the Company scaled back the oversubscriptions. In total, Norwood raised \$248,117.

Both the Placement Offer and Entitlement Offer Options are quoted on the ASX under the ASX ticker *NOROD* and are exercisable at 8 cents per option and expire on 31 December 2024.

If all New Options are fully exercised, the Company may experience a cash inflow of up to \$8.6 million prior to 31 December 2024.

Loan funding

The Company previously entered into a deed of variation to a loan agreement that that provided access to a working capital facility of up to \$300,000. Refer to ASX Announcement dated 12th May 2023, titled 'Norwood varies repayment date of working capital facility'. The loan was advanced by Balmain Resources Pty Ltd, a company that director, Dr John Tarrant controls.

Under a deed of variation, the repayment date was varied from 30 June 2023 to 31 December 2023. During the period 26,177,781 Options were converted into fully paid ordinary shares at 2.4 cents per share raising a total \$628,267 in cash for the Company. Subsequent to 30 June 2023, there has been a further \$23,000 in cash received for option conversions.

³ <https://www.comreg.ie/comreg-consults-on-combatting-scam-calls-and-texts/>

Company Update

4. Outlook

Following an oversubscribed capital raising, as well as further cash injections from customer revenues and R&D tax factoring post-FY23, Norwood has entered FY24 in a robust financial and operational position, pivoted to deliver growth.

Norwood is well-placed to translate the extensive and successful R&D efforts it has made on CogVoice to-date into substantial and tangible projects.

The Company recently onboarded three new senior CSP sales contractors to accelerate Norwood’s CogVoice go-to-market efforts in North America and Europe, which have already cultivated co-sale relationships with several leading cloud service providers.

Additionally, Norwood is progressing advanced contract negotiations for a substantial project with a Tier-1 Australian CSP, after successfully delivering a CogVoice-powered (PoC) communications solution under the global technology and services partnership signed with Infosys Limited in FY2022.

Discussions have been protracted due to the range of potential architectural approaches, multiple products offerings being discussed, and the need to involve a very broad range of stakeholders within the Tier 1 CSP, up to executive level.

Norwood continues to benefit from a long-term revenue base through Spark NZ contract, and has received strong positive feedback from CSPs for its range of diverse, yet complementary, AI-powered solutions.

This positions Norwood for a transformational FY24 with a first-mover competitive advantage in the rapidly evolving AI sector, targeting the CSP channel as a relatively uncontested route to market.

5. Financial Review

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the year of \$1,788,119 (2022: \$1,083,468 loss).

The Group’s revenue for the year ended 30 June 2023 was recorded at \$964,197 compared to \$1,229,100 for the year ended 30 June 2022.

Core Operating metrics	FY 2020	FY 2021	FY 2022	FY 2023
Revenue (\$)	870,015	1,050,831	1,229,100	964,197
Net profit/(loss) (\$)	(1,891,225)	(870,660)	(1,083,468)	(1,788,119)

The net liabilities of the Group have increased to \$(994,275) at 30 June 2023 from \$(835,135) at 30 June 2022.

As at 30 June 2023, the Group's cash and cash equivalents decreased to \$380,142 from \$496,931 in the prior corresponding period. However, post 30 June 2023, Norwood banked \$270,000 of customer revenues and received a further \$121,000 in R&D tax factoring.

Please see the Operational Review above for additional business segment performance.

6. Future Developments, Prospects and Business Strategies

Likely developments in the operations of the Group have been disclosed in the Operating and Financial Review section of the Directors’ Report. Other likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations, not otherwise disclosed in this report, have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.



PAUL OSTERGAARD

Managing Director

Dated this Thursday, 31 August 2023

APPENDIX 4E (RULE 4.3A)

Preliminary Financial Report Results for Announcement to the Market

for the year ended 30 June 2023

1. Reporting period (item 1)			
<input type="radio"/>	Report for the financial year ended:	30 June 2023	
<input type="radio"/>	Previous corresponding period is the year ended:	30 June 2022	
2. Results for announcement to the market			
		Movement	Percentage %
			Amount \$
<input type="radio"/>	Decrease in revenues from ordinary activities (item 2.1)	↓	(21.55) to 964,197
<input type="radio"/>	Increase in loss from ordinary activities after tax attributable to members (item 2.2)	↑	65.04 to (1,788,119)
<input type="radio"/>	Increase in loss after tax attributable to members (item 2.3)	↑	65.04 to (1,788,119)
2.1. Dividends (item 2.4)			Amount per Security ¢
			Franked amount per security %
<input type="radio"/>	Interim dividend		nil n/a
<input type="radio"/>	Final dividend		nil n/a
<input type="radio"/>	Record date for determining entitlements to the dividend (item 2.5)	n/a	
2.2. Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6):			
a. Refer to Company Update.			
3. Preliminary Final Report			
3.1. Statement of comprehensive income (item 3):			
Refer to Consolidated statement of profit or loss and other comprehensive income on page 6			
3.2. Statement of financial position (item 4):			
Refer to Consolidated statement of financial position on page 7			
3.3. Statement of cash flows (item 5):			
Refer to Consolidated statement of cash flows on page 9			
3.4. Statement of changes in equity (item 6):			
Refer to Consolidated statement of changes in equity on page 8			
4. Dividends (item 7) and Returns to shareholders including distributions and buy backs (item 14.2)			
Nil.			
4.1. Details of dividend or distribution reinvestment plans in operation are described below (item 8):			
Not applicable			
5. Ratios			
		Current Period \$	Previous corresponding Period \$
5.1. Financial Information relating to 5.2 and 5.3:			
	Earnings for the period attributable to owners of the parent	(1,788,119)	(1,083,468)
	Net assets	(994,275)	(835,135)
	Less: Intangible assets (including net deferred tax balances)	-	-
	Net tangible asset deficit	(994,275)	(835,135)

APPENDIX 4E (RULE 4.3A)

Preliminary Financial Report Results for Announcement to the Market

for the year ended 30 June 2023

5 Ratios (cont.)	Current Period No.	Previous corresponding Period No.
Fully paid ordinary shares	413,577,781	340,047,768
Weighted average number of ordinary shares outstanding during the period used in calculation of basic earnings per share (EPS)	373,613,242	284,299,660
	¢	¢
5.2. Net tangible assets backing per share (item 9):	(0.240)	(0.246)
5.3. Earnings per share attributable to owners of the parent (item 14.1):	(0.480)	(0.380)
<p>As at 30 June 2023, the Group has 73,905,763 unissued shares under options (2022: 100,163,956) and 10,000,000 performance shares on issue (30 June 2022: nil). No performance rights have vested. Unvested options and performance rights are not considered to be dilutive. In addition, the Group does not report diluted earnings per share on losses generated by the Group. During the 2023 financial year, the Group's unissued shares under option and performance shares were anti-dilutive.</p>		
6. Details of entities over which control has been gained or lost during the period (item 10):		
6.1. Control gained over entities		
○ Name of entities (item 10.1)	Nil	
○ Date(s) of gain of control (item 10.2)	N/A	
6.2. Loss of control of entities		
○ Name of entities (item 10.1)	Nil	
○ Date(s) of loss of control (item 10.2)	N/A	
6.3. Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 10.3).	N/A	
6.4. Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 10.3)	Nil	
7. Details of associates and joint venture (item 11):		
○ Name of entities (item 11.1)	Nil	
○ Percentage holding in each of these entities (item 11.2)	N/A	
	Current period \$	Previous corresponding Period \$
○ Aggregate share of profits (losses) of these entities (item 11.3)	N/A	N/A
8. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position (item 12): Refer to <i>Company Update</i> on page 1 of the accompanying Preliminary Final Report.		
9. The financial information provided in the Appendix 4E is based on the preliminary final report (attached), which has been prepared in accordance with Australian Accounting Standards (item 13)		
10. A commentary on the results for the period (item 14): Refer to <i>Company Update</i> on page 1 of the accompanying Preliminary Final Report.		
11. The Preliminary Final Report has been prepared based on the 30 June 2023 accounts which are in the process of being audited by an independent audit firm in accordance with the requirements of s.302 of the <i>Corporations Act 2001</i> (Cth). (item 15)		

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2023

	Note	2023 \$	2022 \$
<i>Continuing operations</i>			
Revenue	1.1	964,197	1,229,100
Other income	1.2	533,999	468,757
Accountancy, audit, and legal fees		(185,474)	(214,925)
Administration expenses		(68,729)	(92,682)
ASX and share registry fees		(96,009)	(74,299)
Consultancy and subcontractor fees		(109,567)	(68,089)
Depreciation		(85,857)	(146,681)
Employee and director benefits expense	2.1	(1,931,813)	(1,545,363)
Finance costs		(62,736)	(35,014)
Information technology infrastructure cost		(297,430)	(277,040)
Patent, research, and development		(27,878)	(118,272)
Sales and marketing		(34,488)	(37,035)
Share-based payment expense		(186,066)	(85,808)
Travel and entertainment		(117,872)	(435)
Other expenses		(82,396)	(85,682)
Loss before tax		(1,788,119)	(1,083,468)
Income tax expense		-	-
Net loss for the year		(1,788,119)	(1,083,468)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members of the parent entity		(1,788,119)	(1,083,468)
<i>Earnings per share:</i>			
Basic loss per share (cents per share)	6.4	¢ (0.48)	¢ (0.38)
Diluted loss per share (cents per share)	6.4	N/A	N/A

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position

as at 30 June 2023

	Note	2023 \$	2022 \$
<i>Current assets</i>			
Cash and cash equivalents	3.1	380,142	496,931
Trade and other receivables	3.2	270,693	273,032
Total current assets		650,835	769,963
<i>Non-current assets</i>			
Property, plant, and equipment	4.1	59,017	32,798
Right of use assets	4.2	42,740	115,040
Total non-current assets		101,757	147,838
Total assets		752,592	917,801
<i>Current liabilities</i>			
Trade and other payables	3.3	670,379	491,623
Lease liabilities	4.2	48,443	117,247
Borrowings	3.4	741,572	848,642
Provisions	4.3	241,060	269,144
Total current liabilities		1,701,454	1,726,656
<i>Non-current liabilities</i>			
Provisions	4.3	45,413	26,280
Total non-current liabilities		45,413	26,280
Total liabilities		1,746,867	1,752,936
Net liabilities		(994,275)	(835,135)
<i>Equity</i>			
Issued capital	5.1	33,818,296	32,179,354
Reserves	5.4	240,174	9,339,571
Accumulated losses		(35,052,745)	(42,354,060)
Total equity		(994,275)	(835,135)

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
for the year ended 30 June 2023

	Note	Issued Capital \$	Share-based payment Reserve \$	Accumulated Losses \$	Total equity \$
<i>Balance at 1 July 2021</i>					
		30,958,991	9,164,081	(41,270,592)	(1,147,520)
Loss for the year attributable to owners of the parent		-	-	(1,083,468)	(1,083,468)
Other comprehensive income for the year attributable to owners of the parent		-	-	-	-
Total comprehensive income for the year attributable to owners of the parent		-	-	(1,083,468)	(1,083,468)
<i>Transaction with owners, directly in equity</i>					
Shares issued during the year (net of costs)	5.1	1,220,363	10,366	-	1,230,729
Options granted during the year		-	165,124	-	165,124
Balance at 30 June 2022		32,179,354	9,339,571	(42,354,060)	(835,135)
<i>Balance at 1 July 2022</i>					
		32,179,354	9,339,571	(42,354,060)	(835,135)
Loss for the year attributable to owners of the parent		-	-	(1,788,119)	(1,788,119)
Other comprehensive income for the year attributable to owners of the parent		-	-	-	-
Total comprehensive income for the year attributable to owners of the parent		-	-	(1,788,119)	(1,788,119)
<i>Transaction with owners, directly in equity</i>					
Shares issued during the year (net of costs)	5.1	1,389,516	-	-	1,389,516
Share based payments	7.1	-	186,066	-	186,066
Options issued during the year	5.2	-	53,397	-	53,397
Transfers to and from reserves		249,426	(9,338,860)	9,089,434	-
Balance at 30 June 2023		33,818,296	240,174	(35,052,745)	(994,275)

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the year ended 30 June 2023

Note	2023 \$	2022 \$
<i>Cash flows from operating activities</i>		
Receipts from customers	885,714	1,066,973
Government grants received	534,664	390,333
Payments to suppliers and employees	(2,584,329)	(2,549,292)
Net finance (costs) / income	(11,069)	323
Net cash used in operating activities	(1,175,020)	(1,091,663)
<i>Cash flows from investing activities</i>		
Purchase of plant and equipment	(39,776)	(3,032)
Net cash used in investing activities	(39,776)	(3,032)
<i>Cash flows from financing activities</i>		
Proceeds from issue of equity	831,115	1,039,906
Payments for capital raising costs	-	(57,635)
Proceeds of borrowings	783,591	358,631
Repayment of borrowings	(447,895)	(316,464)
Payments for the principal portion of lease liabilities	(68,804)	(71,286)
Proceeds from convertible notes	-	580,000
Net cash provided by financing activities	1,098,007	1,533,152
Net increase / (decrease) in cash and cash equivalents held	(116,789)	438,457
Cash and cash equivalents at the beginning of the year	496,931	58,474
Cash and cash equivalents at the end of the year	380,142	496,931

3.1

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to Appendix 4E Preliminary Final Report
for the year ended 30 June 2023

Note 1. Revenue and other income	2023	2022
	\$	\$
1.1 Revenue		
World Apps revenue	14,155	32,435
World Voicemail revenue	740,873	866,896
Corona revenue	129,169	225,769
Other revenue	80,000	104,000
	964,197	1,229,100
1.2 Other Income		
Net interest (expense)/income	(665)	323
Government grant income	534,664	468,434
	533,999	468,757

Note 2 Loss before income tax	2023	2022
	\$	\$
The following significant expense items are relevant in explaining the financial performance:		
2.1 Employment costs		
○ Directors' Fees	55,299	286,223
○ Employee wages	1,709,000	1,130,280
○ Superannuation	167,514	128,860
	1,931,813	1,545,363

Note 3 Financial assets and financial liabilities		
3.1 Cash and cash equivalents	2023	2022
	\$	\$
Cash at bank	380,142	496,931
	380,142	496,931
3.2 Trade and other receivables	2023	2022
	\$	\$
3.2.1 Current		
Trade receivables	270,361	271,508
Other receivables	33,433	111,596
Provision of loan receivable	(33,101)	(110,072)
	270,693	273,032
3.3 Trade and other payables	2023	2022
	\$	\$
3.3.1 Current		
<i>Unsecured</i>		
Trade payables	131,032	156,433
Accruals and other payables	311,184	258,143
Contract liabilities	228,163	77,047
	670,379	491,623

Notes to Appendix 4E Preliminary Final Report

for the year ended 30 June 2023

Note 3 Financial assets and financial liabilities (cont.)

3.4 Borrowings	2023	2022
	\$	\$
3.4.1 Current		
R&D Loan facility	376,912	308,631
Accrued interest	24,487	15,011
Director loan – Paul Ostergaard	20,000	45,000
Director loan – Balmain Resources Pty Ltd	320,173	480,000
	741,572	848,642

Note 4 Non-financial assets and financial liabilities

4.1 Property, plant, and equipment	2023	2022
	\$	\$
Office equipment – at cost	177,202	137,426
Accumulated depreciation	(128,831)	(116,517)
	48,371	20,909
Leasehold improvements – at cost	81,592	81,592
Accumulated amortisation	(70,946)	(69,703)
	10,646	11,889
Total property, plant, and equipment	59,017	32,798
4.2 Leases	2023	2022
	\$	\$
4.2.1 Right of use assets		
Right of use asset - Buildings	322,580	322,580
Accumulated amortisation	(279,840)	(207,540)
	42,740	115,040
4.2.2 Lease liabilities		
Current	48,443	117,247
Non-current	-	-
	48,443	117,247
4.3 Provisions	2023	2022
	\$	\$
4.3.1 Current		
Employee entitlements	241,060	269,144
	241,060	269,144
4.3.2 Non-current		
Employee entitlements	45,413	26,280
	45,413	26,280

Notes to Appendix 4E Preliminary Final Report
for the year ended 30 June 2023

Note 5 Equity				
5.1 Issued capital	2023	2022	2023	2022
	No.	No.	\$	\$
Fully paid ordinary shares at no par value	413,577,781	340,047,768	33,818,296	32,179,354
5.1.1 Ordinary shares	2023	2022	2023	2022
	No.	No.	\$	\$
At the beginning of the year	340,047,768	260,504,864	32,179,354	30,958,991
<i>Shares issued during the year:</i>				
○ 07.2021 <i>Consideration for professional services received</i>	-	2,500,000	-	-
○ 09.2021 <i>Unlisted ZEPO options exercised with \$nil ex. price</i>	-	1,200,000	-	-
○ 10.2021 <i>Placement</i>	-	19,000,000	-	323,000
○ 02.2022 <i>Conversion of Convertible Notes</i>	-	12,500,000	-	300,000
○ 03.2022 <i>Consideration for professional services received</i>	-	1,836,933	-	27,774
○ 06.2022 <i>Rights Issue</i>	-	42,505,971	-	637,590
○ 10.2022 <i>Issued to an employee</i>	4,943,238	-	76,500	-
○ 11.2022 <i>Conversion of Convertible Notes</i>	32,000,000	-	480,000	-
○ 11.2022 <i>Issued as director remuneration</i>	2,686,567	-	40,298	-
○ 11.2022 <i>Options exercised at \$0.024 ex. price</i>	2,007,937	-	48,190	-
○ 12.2022 <i>Options exercised at \$0.024 ex. price</i>	5,464,490	-	131,148	-
○ 12.2022 <i>Issued in lieu of cash payment for administration fees</i>	250,000	-	5,000	-
○ 03.2023 <i>Expiry of subscribed options - premium</i>	-	-	132,713	-
○ 05.2023 <i>Options exercised at \$0.024 ex. price</i>	785,715	-	18,857	-
○ 06.2023 <i>Options exercised at \$0.024 ex. price</i>	25,392,066	-	609,410	-
○ 06.2023 <i>Expiry of historic options - premium</i>	-	-	116,713	-
<i>Transaction costs relating to share issues</i>				
○ Cash-based	-	-	(14,887)	(57,635)
○ Equity-based	-	-	(5,000)	(10,366)
At end of the year	413,577,781	340,047,768	33,818,296	32,179,354

Notes to Appendix 4E Preliminary Final Report

for the year ended 30 June 2023

Note 5 Equity (cont.)				
5.2 Options	2023 No.	2022 No.	2023 \$	2022 \$
Options	73,905,763	100,163,956	9,182,542	9,339,571
5.2.1 Options	2023 No.	2022 No.	2023 \$	2022 \$
At the beginning of the year	100,163,956	68,821,636	9,339,571	9,164,081
<i>Options movement during the year:</i>				
○ 10.2023 Expiry of options	-	(67,621,636)	-	-
○ 09.2021 Exercise of options	-	(1,200,000)	-	-
○ 02.2022 Directors options issued	-	15,000,000	-	85,808
○ 03.2022 Placement	-	39,657,985	-	79,316
○ 06.2022 Rights Issue free attaching options	-	42,505,971	-	-
○ 06.2022 Advisors options issued	-	3,000,000	-	10,366
○ 11.2022 Free attaching options on conversion of notes	32,000,000	-	-	-
○ 11.2022 Director options issued - shortfall	26,698,651	-	53,397	-
○ 11.2022 Directors options issued	30,000,000	-	81,066	-
○ 11.2022 Exercise of options	(2,007,937)	-	-	-
○ 12.2022 Exercise of options	(5,464,490)	-	-	-
○ 03.2023 Expiry of options - premium	(66,356,636)	-	(132,713)	-
○ 05.2023 Exercise of options	(785,715)	-	-	-
○ 06.2023 Exercise of options	(25,342,066)	-	-	-
○ 06.2023 Reversal of director options that failed to vest due to a market condition	(15,000,000)	-	(42,066)	-
○ 06.2023 Expiry of historic options - premium	-	-	(116,713)	-
Transfer of historic option value to accumulated losses	-	-	(9,047,368)	-
At end of the year	73,905,763	100,163,956	135,174	9,339,571
5.3 Performance equity	2023 No.	2022 No.	2023 \$	2022 \$
Performance equity	10,000,000	-	105,000	-
5.3.1 Performance equity movement	2023 No.	2022 No.	2023 \$	2022 \$
At the beginning of the year	-	-	-	-
<i>Performance equity changes during the year:</i>				
○ Issue of performance rights	10,000,000	-	105,000	-
At reporting date	10,000,000	-	105,000	-

Notes to Appendix 4E Preliminary Final Report
for the year ended 30 June 2023

Note 5 Equity (cont.)				
5.4 Reserves			2023 \$	2022 \$
Share-based payment reserve			240,174	9,339,571
			240,174	9,339,571
Note 6 Earnings per share (EPS)				
	Note		2023 \$	2022 \$
6.1 Reconciliation of earnings to profit or loss				
Loss for the year			(1,788,119)	(1,083,468)
Less: loss attributable to non-controlling equity interest			-	-
Loss used in the calculation of basic and diluted EPS			(1,788,119)	(1,083,468)
			2023 No.	2022 No.
6.2 Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS			373,613,242	284,299,660
Weighted average number of dilutive equity instruments outstanding	6.5		N/A	N/A
6.3 Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS			373,613,242	284,299,660
			2023 ¢	2022 ¢
6.4 Earnings per share				
Basic loss per share (cents per share)	6.5		(0.48)	(0.38)
Diluted loss per share (cents per share)	6.5		N/A	N/A
6.5		As at 30 June 2023 the Group has 73,905,763 unissued shares under option (2022: 100,163,956). The Group does not report diluted earnings per share on losses generated by the Group. During the year, the Group's unissued shares under option and partly-paid shares were anti-dilutive.		
Note 7 Share-based payments				
	Note		2023 \$	2022 \$
7.1 Share-based payments:				
○ Recognised in profit and loss: <i>Options</i>			186,066	85,808
<i>Share-settled payments</i>			116,798	27,774
○ Recognised in equity (transaction costs)			5,000	10,366
Gross share-based payments			307,864	123,948



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