

## **ASX ANNOUNCEMENT**

**13 December 2024**

### **Norwood completes \$505,000 capital raise by issue of Convertible Notes**

Norwood Systems Ltd (Norwood or the Company) (ASX: NOR) is pleased to announce that it has received a letter of firm commitments from ACNS Capital Markets Pty Ltd ATF The ACNS Unit Trust trading as **Alto Capital** ("Alto Capital") engaged by the Company in relation to a capital raising of \$505,000 (before costs) via the issue of Convertible Notes ("Notes").

#### **The principal terms of the Convertible Notes are:**

- Principal Amount: \$505,000.
- Repayment Date: 31 December 2025.
- Face Value: Equal to the principal amount.
- Interest: 10% per annum.
- Conversion price: each convertible note will be convertible into Shares at a conversion price of \$0.03 (3 cents) per Share.
- Security: The Convertible Notes are unsecured.
- Interest shall be payable at 10% per annum on the Convertible Notes. There is an option to elect to receive Shares in lieu of interest to be issued at a price of \$0.03 (3 cents) per Share.
- The Convertible Notes can be converted to up to 16,833,333 million fully paid ordinary shares (ASX: NOR) at \$0.03 per share, with a free attaching option issued on the basis of 33.33 options for every dollar subscribed for, exercisable at \$0.03 per option expiring 31 December 2026 ("Note Option"). The free option will be unquoted.
- Note holders may convert at any time up to the repayment date.
- The Company has the right to redeem any unconverted Notes at the repayment date by payment to the Note holders of the face value of the Notes.

Funds will be applied towards working capital, part of which will be directed to research and development costs.

Directors Dr John Tarrant and Mr Philip Marsland will participate in the raise with both taking up Notes of \$50,000 each ('Director Notes').

Shareholder approval will be required for the Director Notes. The issue of the Notes will be made on the signing of a Terms Sheet but the conversion of the Convertible Notes into Shares and the Note Options 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. The Company will

convene a general meeting of shareholders proposed to be held in February 2025, pursuant to the above terms.

All Note Options will be issued under the Company's Placement capacity under ASX Listing Rule 7.1. The Company confirms that it has sufficient placement capacity in which to issue Note Shares should they be converted during the term.

Alto Capital, as appointed corporate advisor, will receive a cash fee of 6% of the total gross proceeds of the raise. In addition, the Company will issue 3 million unquoted options to Alto Capital as a success fee, exercisable at \$0.03 per option and expiring 31 December 2026.

An appendix 3B follows this announcement.

**Paul Ostergaard, CEO and Founder of Norwood Systems, said:**

*"We are pleased to have the continued support of our investors, reflecting their confidence in Norwood's long-term strategy and vision. This capital injection will enable us to continue the development of our advanced conversational and generative AI technologies, strengthening our market position and delivering enhanced value to our global customers. As we continue to innovate and refine our solutions, we remain committed to empowering users with more reliable, intelligent, and seamless voice communications experiences."*

This announcement has been approved for release by the Board.

**ENDS**

For media inquiries, please contact:

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**About Norwood Systems**

Norwood Systems (ASX: NOR) is a leading innovator in voice communication services, providing advanced conversational and generative AI technologies to revolutionize global communications. Its solutions enhance user experiences, delivering reliable and cutting-edge voice services to customers worldwide.