



ASX ANNOUNCEMENT

21 March 2017

Norwood Expands Sales Activities and Appoints North American Head of Sales

'Sharing Economy' telecommunications pioneer Norwood Systems Ltd (Norwood or the Company) (ASX: NOR) is pleased to announce an expansion of the Company's sales activities in North America, ahead of the imminent launch of further product solutions for enterprise customers.

Will Hughs has been appointed as Vice President, Americas for Norwood. Based in San Francisco, Mr Hughs is now responsible for driving Norwood's sales strategy for a segment of regulated industries looking for economic compliance solutions to enable archiving of employee-to-client text messages. Prior to joining Norwood, Mr Hughs was CEO of Telstra Americas for more than four years, driving sales, marketing, engineering and operations efforts throughout North and South America.

Prior to that, Mr Hughs was Senior Vice President, Product and Design for Telstra, responsible for the marketing, engineering and commercial functions for the Americas region. As SVP, Product and Design, he also worked with Telstra Global's Product teams to develop global product strategies and localise product sets and solutions for the US Service Provider and Enterprise markets.

Mr Hughs began his technology career in the systems integrator space as an engineer, designing Microsoft and Cisco solutions for large enterprises based in the San Francisco Bay area. He joined Telstra in 1999 as a Sales Engineer in the San Francisco office where his knowledge of managed services led the effort in the rapid growth of WAN outsourcing deals for Telstra.

Mr Hughs' appointment comes ahead of the imminent launch of **World Message**. **World Message**, in combination with the rest of the Norwood's **Corona** products, will allow firms to archive all employee and client message interactions in full to meet compliance obligations.

Regulatory agencies in a number of global jurisdictions, including the US Financial Industry Regulatory Authority (FINRA), require financial services firms to retain text messages sent to clients, as with any other form of electronic communication. Fines are regularly issued for non-compliance, leading to many financial services firms to prohibit the use of text messages in the absence of an effective compliance solution. Norwood's Corona suite of products will soon provide that solution, alongside significant other additional benefits for enterprises.

Norwood Managing Director, Paul Ostergaard, said:

*"We are delighted to have secured the services of someone of Will's calibre to help us address the growing opportunity in the North American compliance market. Will's appointment will allow us to step up our already significant sales activities in that region. Pre-sale marketing of Corona, **World Message** and our virtual business phone solution has received excellent feedback from potential regulated North American enterprise customers, leading to our decision to strengthen our presence in that market.*

"Will's experience in enterprise sales on behalf of Telstra, a fellow Australian firm, provides us with the perfect skill base and network to really supercharge our existing sales momentum in North America."

Continued Sales Momentum

Affinity Partner White Label Distribution Relationship:

Norwood is delighted with the speed of engagement within its major affinity partner's client base, following the earlier signing a material distribution agreement between the parties.

Having passed initial technical due diligence and trialling phases, Norwood is now at the term sheet negotiation stage with several of its Affinity Partner's largest clients in the financial services sector. The specific clients interested in Norwood's **World Phone** and **Corona** white label propositions are global financial services firms. Those clients' focus is on sourcing white label **World Phone** and/or **Corona** solutions for their respective segments: affluent individual credit card holders and banking clients in the European SME sector.

At this stage, the Company is highly confident that it will sign one or more such material white label agreements within the previously announced timeframe of Q1 FY 2018. The modelled annual revenues from each of these opportunities exceeds \$1 million in recurring annual revenues, and translates to more than \$3 million in potential aggregate annual revenues, based solely on the current targeted opportunities.

Enterprise Sales Pipeline:

Encouragingly, Norwood's existing multi-national clients have started to expand the scope of services purchased from the Company, and active dialogue is taking place on Asian expansion of the current service footprint for each client.

There have been a significant number of new prospects added to Norwood's enterprise sales pipeline so far this calendar year, and total potential annualised value of the enterprise sales pipeline has been growing steadily. The Company advises that most of these prospects are still at an early sales development stage, and may not all progress to a final sale. The Company is increasing focusing on prospects in the healthcare and financial services sectors, due to the sector-specific relevant nature of its current offerings in those two markets.

Forthcoming World Message Compliance Offering:

Norwood is delighted to have secured recently two US-based financial services pilots for its messaging archival compliance offering, even with the service yet to launch. This underscores the very real need that that financial services institutions in the UK and US have in dealing with archival of all business-facing communications, including messaging.

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Background

Norwood Systems provides voice, messaging and data services to consumers, enterprises, and carriers globally, leveraging its federated telecommunications service network and partnerships. Our mission is to deliver disruptive end-user communications apps that streamline and simplify how users around the world can access affordable, high-quality telecommunications services – anywhere, anytime.

Currently, customers in over 5000 cities and 200 countries are using Norwood's services today with the **World Phone App**. The **World Message App**, gives users seamless and cost effective international SMS and instant messaging functionality. The **World Wi-Fi App**, giving users seamless access to more than 36 million Wi-Fi Access points around the world. **World Message** and **World Wi-Fi** are under development and near release.

Norwood Systems has built up a significant pipeline of prospects, including global players in the areas of aviation, professional services, banking, telecommunications, engineering and legal services. These prospects are motivated by various benefits of our Enterprise solution **Corona**, and augmenting their loyalty offerings with distributed or white labelled **World Apps**.

About Norwood Systems

Norwood Systems Ltd (ASX: **NOR**) is revolutionising the 'Shared Economy' delivery of high-quality telecommunications services for individual business travellers and entire organisations globally. The Company listed on the ASX on 16 June 2015.

Norwood Systems was founded in 2011 to develop and supply the best possible global voice, data and messaging solutions using Over-The-Top (OTT) technologies. The Company's current breakthrough offerings include Enterprise communications platforms, **Corona® Cloud**, and **Corona GTS**, that works seamlessly and effortlessly with the advanced **World Phone®** and **World Message™ Apps**.

The **Corona Platform** is an award-winning, enterprise-class service that integrates compatible mobile devices securely and seamlessly with the organisation's existing Unified Communication or PBX networks, independent of their location. This provides the incredible benefits of true BYOD, identity management, and regulatory compliance management.

World Phone is an award-winning, revolutionary communications App, delivering 'Shared economy' consumer access to leading fixed-line network service providers around the world, providing unparalleled local access to high-quality voice networks in more than 90 countries. The App is available for Android and iOS.



World Phone