

ASX ANNOUNCEMENT

5 April 2017

Fully Underwritten Rights Issue to Advance Sales Initiatives

Highlights

- Fully underwritten 2-for-15 non-renounceable rights issue to existing shareholders at \$0.016 per Share to raise \$2.07m (before costs)
- Funds will be utilised to advance marketing and sales and product development
- Norwood to capitalise on sales momentum following CommSys contract award and distribution agreement with Affinion International
- Ongoing traction being achieved with enterprise and loyalty sales offerings

‘Sharing Economy’ telecommunications pioneer Norwood Systems Ltd (“**Norwood**” or the “**Company**”) (ASX: NOR) is pleased to announce a fully underwritten, non-renounceable pro-rata rights issue to all existing shareholders of up to 129,437,277 new shares at an issue price of \$0.016 per share to raise up to \$2.07m before costs (“**Rights Issue**” or “**Offer**”). The Rights Issue provides existing shareholders with an opportunity to maintain or grow their investment in Norwood by offering shareholders to acquire 2 new shares for every 15 existing shares held as at 10 April 2017, as well as the ability to apply for additional shares in excess of their entitlement.

Norwood has been focussed on building out its sales channels for both World Phone and Corona with recent distribution and sales agreements with Affinion International and Commsys respectively, and the appointment of Will Hughes as Head of Sales in North America. Norwood also recently launched its complete ‘virtual business phone’ offer for corporate users, which is a separate virtual business phone and identity using a different mobile phone number (“Virtual ID”) inside the user’s existing phone and can now be integrated with a range of corporate platforms. This Virtual ID allows all details to be recorded automatically into leading CRM platforms, along with message details, messages can be archived in full to meet compliance obligations, and employers can also remotely configure the phone number and caller ID that should be used for the separate business identity. These solutions are only possible with the cloud based over the top approach to communications utilised by Norwood.

The Virtual ID offering by Norwood offers a solution to business effected by regulatory agencies in multiple jurisdictions, including FINRA in the United States and the FCA in the UK that requires financial services firms to retain all text messages sent to and from clients, just as they would any other form of electronic communication.

The new funds will be utilised to continue Norwood’s current momentum on marketing and sales activities, and on further product development.

The Rights Issue is strongly supported by Norwood’s Board of Directors (“**Board**”), with all members of the Board participating in the Rights Issue via sub-underwriting commitments with the underwriter. Details of the Offer, including the Board’s participation in the Rights Issue can be found in the Offer Document announced on ASX on 5 April 2017.

Norwood Managing Director, Paul Ostergaard, said:

“Norwood has generated significant sales momentum for 2017, with both distribution via the loyalty sector in the fintech space and direct corporate sales showing strong starts.”

“This fully underwritten rights issue will allow all shareholders an equal opportunity to participate in continuing this momentum, whilst providing the required certainty for the Company and its stakeholders by way of it being fully underwritten. I look forward to the further results this will enable us to achieve at Norwood.”

Indicative Rights Issue Timetable

Shareholders of the Company as at the Record date of 10 April 2017 will be eligible to acquire 2 additional shares for every 15 shares they hold at the Record Date. Personalised entitlement and acceptance forms will be despatched to all shareholders on 13 April 2017, and acceptance forms will be required to be returned by the Closing Date of 3 May 2017. The issue price of \$0.016 per share represents a 29% discount to the 10-day volume weighted average price (“VWAP”).

Event	Date
Announcement of Rights Issue	5 April 2017
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX Notice sent to Option holders	5 April 2017
Notice sent to Share holders	6 April 2017
Ex-date	7 April 2017
Record Date for determining Entitlements	10 April 2017
Despatch of Offer Document to Eligible Shareholders, Company announces this has been completed and Offer Opening Date	13 April 2017
Closing Date*	3 May 2017
Shares quoted on a deferred settlement basis	4 May 2017
ASX notified of under subscriptions	5 May 2017
Issue date/Shares entered into Shareholders’ security holdings	10 May 2017
Dispatch of holding statements	11 May 2017
Quotation of Shares issued under the Offer	11 May 2017

Grange Capital Partners Pty Ltd are the underwriter and Lead Manager to the Rights Issue.

ENDS

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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.

Customers in over 5,000 cities and 200 countries are using Norwood's services today with the **World Phone**® App. Recently, Norwood Systems released the **World Message**™ App, giving users seamless and cost effective international SMS and instant messaging functionality. The company is also developing the **World Wi-Fi**™ App, giving users seamless access to more than 36 million Wi-Fi Access points around the world.

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, patented and patents-pending, 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. Corona provides unique and valuable benefits across the BYOD, identity management, and regulatory compliance management sectors.

World Phone and **World Message** are revolutionary communications Apps, delivering 'Shared economy' consumer and enterprise access to leading fixed-line network service providers around the world. They provide unparalleled local access to high-quality voice and SMS networks in more than 90 countries. **World Phone** is currently available on iOS and Android. **World Message** is currently available on iOS, with an Android release coming soon.