

ASX ANNOUNCEMENT

23 November 2017

The Manager
Company Announcements Office
ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT

On 23 November 2017, Norwood Systems Limited (**Company**) completed the issue and allotment of the following fully paid ordinary shares in the capital of the Company:

Type of Security	Number of Securities	Consideration
Fully Paid Ordinary Shares	58,777,777	\$0.018 per share in respect of capital raising announced to the ASX on 16 November 2017
Fully Paid Ordinary Shares	6,435,757	Nil cash – shares issued in lieu of cash payment for services

The Company also issued 32,388,889 options at an exercise price of \$0.035 expiring 1 year from date of issue.

The Company gives notice pursuant to section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**) that:

1. the Company issued the Shares without disclosure under Part 6D.2 of the Corporations Act; and
2. as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) section 674 of the Corporations Act; and
3. as at the date of this notice, there is no information to be disclosed which is excluded information (as defined in section 708A(7) of the Corporations Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

Please refer to attached Appendix 3B for further details in respect to the allotments.

For Norwood Systems Limited
Steven Wood
Company Secretary

<ENDS>

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Norwood Systems Limited

ABN

15 062 959 540

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | a) Fully Paid Ordinary Shares (Placement Shares)
b) Fully Paid Ordinary Shares (Service Shares)
c) Unlisted Options (Placement Options)
d) Unlisted Options (Broker Options) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) 58,777,777 fully paid ordinary shares
b) 6,435,757 fully paid ordinary shares
c) 29,388,889 unlisted options
d) 3,000,000 unlisted options |

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>a) Fully Paid Ordinary Shares b) Fully Paid Ordinary Shares c) Options with an exercise price of \$0.035 and expiring on 22 November 2018 d) Options with an exercise price of \$0.035 and expiring on 22 November 2018</p>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>a) Yes b) Yes c) No, shares issued on the exercise of options will rank equally with existing quoted securities. d) No, shares issued on the exercise of options will rank equally with existing quoted securities.</p>
<p>5 Issue price or consideration</p>	<p>a) Issued at \$0.018 per share for total consideration of \$1,058,000 b) i. Nil cash – 909,091 shares issued in lieu of cash payment for services at a agreed share price of \$0.022 ii. Nil cash – 2,000,000 shares issued in lieu of cash payment for services at a agreed share price of \$0.015 iii. Nil cash – 3,526,666 shares issued in lieu of cash payment for services at a agreed share price of \$0.018 c) Nil cash – free attaching to shares issued under the Placement announced to ASX on 16 November on a 1-for-2 basis d) Nil cash – options issued in accordance with Placement announced to ASX on 16 November.</p>

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<ul style="list-style-type: none"> a) Issued pursuant to a Placement to sophisticated and professional investors b) As consideration for services provided to the Company. c) Free attaching to shares issued in the Placement on a 1-for-2 basis d) As consideration for services provided in respect of Placement.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 November 2016
6c	Number of +securities issued without security holder approval under rule 7.1	
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	Nil
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A

+ See chapter 19 for defined terms.

6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
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6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer to Annexure 1
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7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	23 November 2017
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8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	Number	+Class
		1,165,430,387	Ordinary shares

	Number	+Class
9		Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)
	78,869,761	Unlisted class A performance shares
	78,869,761	Unlisted class B performance shares
	3,927,774	Unlisted class A performance rights
	3,927,774	Unlisted class B performance rights
	16,970,401	Unlisted options (\$0.02, 9 June 2018)
	9,500,000	Unlisted options (\$0.198, 27 November 2020), disposal restricted up to 27 November 2017
	9,500,000	Unlisted options (\$0.297, 27 November 2020), disposal restricted up to 27 November 2017
	6,000,000	Unlisted options (\$0.173, 27 November 2018)
	10,000,000	Unlisted options (\$0.135, 27 November 2020), vesting 27 November 2018
	36,004,084	Unlisted options (\$0.02, 27 November 2018)
	2,000,000	Unlisted options (\$0.107, 29 December 2018)
	33,333,333	Unlisted options (\$0.055, 15 July 2018)
	6,400,000	Unlisted options (\$0.057, 2 August 2021) (subject to vesting conditions)
32,388,889	Unlisted options (\$0.035, 22 November 2018)	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Pro rata issue

+ See chapter 19 for defined terms.

- 11 Is security holder approval required? N/A
- 12 Is the issue renounceable or non-renounceable?
- 13 Ratio in which the +securities will be offered
- 14 +Class of +securities to which the offer relates
- 15 +Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has security holders who will not be sent new offer documents
- Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations

- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders
- 25 If the issue is contingent on security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and offer documents will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do security holders sell their entitlements *in full* through a broker?
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?

+ See chapter 19 for defined terms.

32 How do security holders dispose of their entitlements (except by sale through a broker)?

33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 23 November 2017
(Director/Company Secretary) Date:

Print name: Steven Wood
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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	968,779,576
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>11 May 2017 – 48,589,223 – take up and shortfall applications in respect of 2 for 15 entitlement issue pursuant to prospectus dated 5 April 2017.</p> <p>22 May 2017 – 80,848,054 – underwritten shortfall allotment in respect of 2 for 15 entitlement issue pursuant to prospectus dated 5 April 2017.</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	1,098,216,853

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	164,732,528
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>13/12/16 – consideration shares for services provided – 2,000,000</p> <p>23/11/17 – 58,777,777 Placement Shares</p> <p>23/11/17 – 6,435,757 consideration shares for services provided</p> <p>23/11/17 – 32,388,889 unlisted options associated with the Placement</p>
“C”	99,602,423
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	164,732,528
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	99,602,423
Total [“A” x 0.15] – “C”	65,130,105 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,098,216,853
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	109,821,685
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	109,821,685
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	Nil
Total ["A" x 0.10] – "E"	109,821,685 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.