

ASX ANNOUNCEMENT

31st January 2018

Norwood Corporate Overview and App 4C for December 2017 Quarter

Highlights

- Revenue-generating service contract signed with US investment bank
 - Agreement covers all of Norwood's enterprise services
 - Opens up new vertical for **Corona Compliance** – the financial services sector
 - Opens up new geographical market – North America
- Collaboration with Oracle to integrate Norwood's **Corona CRM** into Oracle Sales Cloud
 - Extremely significant and wide-ranging collaboration in the Enterprise segment
- Co-marketing partnership with Visa to promote **World Apps** on Visa marketing platforms
- Increased product development activities during and post the quarter
 - **World Phone 3.0** for iOS launched on the Apple App Store
 - Launch of **World Secure** for iOS and Android, opening up cyber-security market for Norwood
 - Release of **World Wi-Fi** for iOS, a world-class Wi-Fi discovery, connectivity and security tool
- Complementary suite of Norwood offerings – **World Secure, World Phone, World Message and World Wi-Fi** – now all available on the Apple App Store
- Successfully raised A\$1.06 million to be used primarily for sales and marketing activities
- Company continues diligent cost control exercise

'Sharing Economy' and 'Communications as a Service' pioneer Norwood Systems Ltd (Norwood or the Company) (ASX: NOR) is pleased to provide an overview of the Company's activities for the December 2017 quarter and the accompany Appendix 4C cashflow report.

Norwood's CEO and Founder, Paul Ostergaard, commented:

"We've made substantial and satisfying progress over the quarter accelerating our commercial activity and finalising our Company's transition from a calling tariff arbitrage-focused, telco-style business to an operation that is addressing enduring, unique and valuable Software-as-a-Service opportunities, applicable to our major addressable markets in the Enterprise and Loyalty segments.

"Our Enterprise offering is now the most compelling it has ever been, with core durable propositions now complete and spanning Enterprise BYOD, Compliance and CRM capture and logging services. This marks a major evolution from where the Company was a year ago, where the Company was primarily focused on low-cost long-distance and roaming voice calling services.

"To punctuate the completion of this transition we signed a landmark deal right at the end of the quarter with a highly-regarded US-based investment bank, representing a key proof-point for financial services market acceptance of all our new Enterprise service offerings.

“During the quarter we also embarked on important long-term collaborations with tier-one go-to-market partners, including Oracle and Visa. Such partnerships are a robust testament to the value that our platforms deliver. We are highly confident that these types of partnerships will translate into steady revenue growth over the coming quarters.

“We have seen a steady escalation over the quarter of prospective Enterprise deals entering the sales pipeline, significant progress with deals already in the pipeline, and during and post-quarter the addition of valuable channel partnerships that we hope will provide essential ‘run-rate’ income, complementing the larger visible deals the Company is working on.

“We launched World Phone 3.0 during the quarter, marking the third major upgrade of our highly successful voice App. This release focused in particular on features that our Enterprise clients and pipeline prospects have been asking for, reflecting the increasing focus on domestic Enterprise applications, as opposed to travel and roaming, for both the World Phone and World Message Apps.

“On the Loyalty side of our business, we have also made major progress, evolving our focus on how Norwood addresses the Loyalty sector. Following a complete refresh of our App portfolio targeting the Loyalty sector, we will be de-emphasising World Phone as travel benefit, and instead will be promoting our two new, revolutionary and easy-to-use new Loyalty benefits focused Apps – World Wi-Fi and World Secure.

“We have worked tirelessly from a product development front to realise this key transition for our Loyalty channel, and alongside the World Phone 3.0 introduction, our engineering team also completed the development during the quarter of the initial releases of World Secure, positioned in the Loyalty space as a global cyber-security benefit, and World Wi-Fi, positioned as a revolutionary Wi-Fi discovery and connectivity Loyalty benefit. Both Apps launched on the Apple App Store just after the end of the quarter.

“This near simultaneous release of World Wi-Fi and World Secure marks a key milestone for us, completing the full targeted portfolio of our Apps – World Secure, World Phone, World Message and World Wi-Fi – now all on one App Store for the first time.

“Few companies have the capabilities to deliver this calibre and breadth of App-based services. Our in-house development team’s roadmap covers key machine learning algorithms to be incorporated within World Phone 3.x and our forthcoming World Message 2.0, and will cover ongoing explorations of how our communications Apps can leverage the emergence of potentially complementary technologies, inter alia Blockchain, for example to enhance enterprise / consumer communications security and caller identity management, trust and verification.

“Given this broad and refreshed portfolio of Apps and related services, we are witnessing a highly encouraging and growing number of leads, opportunities and accounts in our sales pipeline for both the Enterprise and Loyalty segments and our aim is to convert these prospects into revenue-generating clients, as soon as practicable.”

Sales and Commercialisation Activities

Enterprise Segment

The quarter was a significant one for Norwood, signing key enterprise partnerships with a highly-regarded US-based investment bank and with Oracle for the **Corona CRM** and **Corona Compliance** platform.

US-based Investment Bank contract for Corona Compliance and Corona CRM

The previously announced contract signed with a highly regarded mid-market US-based investment bank, is significant as it encompasses the supply of all of Norwood's currently available enterprise services, including **Corona Compliance** and **Corona CRM**, in addition to undertaking a paid pilot for Norwood's **World Secure** cyber-security platform.

The agreement establishes a new vertical for the **Corona** service platform offerings in the US banking sector. This landmark deal will also assist Norwood in progressing additional US-based **Corona Compliance** deals currently in its sales pipeline, either directly or through emerging resellers.

Oracle Relationship

Norwood's agreement with Oracle enables Norwood to help Oracle achieve exceptional data coverage of voice call and text message sales interactions conducted over their employee's smartphones – all logged automatically within the client's Oracle Sales Cloud account. This is the most significant and wide-ranging collaboration and partnering effort that the Company has had to date in the Enterprise segment.

Norwood's **Corona CRM** will automatically log smartphone calls, texts and metadata into the Oracle Sales Cloud, creating a robust and comprehensive data repository of sales and service personnel interactions with their customers and stakeholders. **Corona CRM's** intelligent data synchronisation capabilities will automatically match **World Phone** and **World Message** interactions and phone numbers with numbers stored for employees and clients in a customer's Oracle Sales Cloud implementation.

The result of the implementation is a powerful combined data capture platform that feeds into Oracle's powerful analytics-based cloud applications, which will ultimately allow sales teams and their managers to have a greater insight into their customers and partner with them more effectively.

As a follow-on to the agreement, the **Corona CRM** platform was made available in the Oracle Cloud Marketplace, a one-stop shop for Oracle customers seeking trusted business applications and service providers offering unique business solutions, including ones that extend Oracle Cloud Applications.

The **Corona CRM** platform will enable automatic logging of smartphone calls and text messages between employees and clients to related records within Oracle Sales Cloud.

Norwood's CEO and its Head of USA Sales were invited to present to Oracle's North American Banking Sales team in New York during the quarter, demonstrating the **Corona CRM / Oracle Sales Cloud integration** capabilities to senior Oracle sales personnel, responsible for Oracle's top 200 US financial services client relationships. This presentation was part of an Oracle outreach to FinTech start-ups, located primarily in North America, and was a key part of a competitive "stack-ranking" pitching exercise, with the highest ranked FinTech businesses being invited to be on-boarded into the Oracle Open Banking Ecosystem.

If selected and on-boarded, **Corona CRM** and **Corona Compliance** will become certified by the Oracle North American ISV team, which will lead to **Corona CRM** and **Corona Compliance** being promoted by Oracle's East Coast Outbound Sales Team as part of a solution sell, featuring **Corona** and **World Apps** integrated with Oracle Sales Cloud (and potentially other Oracle SaaS or PaaS platforms) to address either cloud CRM or compliance opportunities in the US banking sector.

The Company is confident that this collaboration with Oracle will yield material commercial benefits over time.

Virtual Business Mobile Services and the BYOD market

Both the **Corona CRM** and **Corona Compliance** solutions are based on Norwood's Virtual Business Mobile Services (VBMS) architecture. The VBMS architecture in its own right has a significant market application for companies that are interested in implementing a Bring Your Own Device (BYOD) strategy in their organisation.

The VBMS proposition is based on SIM-free mobile voice and messaging services delivered to a handset to create a second SIM-independent mobile identity on a mobile handset. The service offers inbound and outbound PSTN voice and SMS, high-quality visual voicemail, free App-to-App voice and messaging, plus a second mobile phone number attached to these services. The service is delivered to a user's handset using the **World Phone** and **World Message** Apps, that operate as a business-centric second pair of mobile Apps on the handset.

Norwood has found that the primary reasons for issuing mobile devices to staff today revolve around organisational management and control of the employee's mobile phone number. The traditional BYOD route of subsidizing the employee's mobile phone is unsatisfactory to the extent that the organisation then loses control of employees' mobile numbers when they leave the organisation. This churn creates potential loss of continuity, or worse, business leakage. VBMS uniquely allows a company to transition to a BYOD model, while maintaining control and ownership of the mobile phone numbers being used for the VBMS platform.

Norwood believes there is a substantial global market for VBMS. By way of an example, and per the previous quarterly, Norwood is currently advancing discussions with an Australian financial services firm's IT department to prove out an economic model, having already passed the organisation's technical bench-tests of the VBMS service. This organisation recently finalised their preferred choice of the Mobile Device Management (MDM) platform, which has set the platform for any broad roll-out to their workforce and which could be used to deploy Norwood's **World Apps** to the client's staff members' smartphones. This case study is outlined for illustrative purposes of the current preliminary interest in and potential market for the Company's VBMS architecture. Whilst in early stage, confidential discussions, Norwood is targeting to finalise key terms for a prospective initial deployment with this or other potential clients in the short to medium term. When fully deployed, projects of this scale could drive an income of several million dollars per annum to Norwood, and furthermore would create robust reference case studies for Norwood's BYOD deployment model.

Norwood has a significant number of prospects in its enterprise sales pipeline for this service, with most attention internally being focused on getting an initial major customer for the VBMS service over the line.

Scalable Compliance Channel Partnerships

Post this past quarter Norwood announced a reseller partnership with Addcom, an Australian leader in the call recording and speech analytics market for over 10 years, supporting some of Australia's leading organisations including Fire, Ambulance, Police, contact centres and financial markets firms.

Norwood believes this collaboration with Addcom will significant recurring revenue, in particular on the voice recording compliance front.

The Company now has acquired up four significant sales and technology channel partnerships targeting the information governance market for smartphone archival services, being Oracle, Veritas, Global Relay and Addcom.

ORACLE[®]


ADDCOM[®]

 **globalRELAY**[®]

VERITAS[™]

Norwood's Compliance Channel Sales and Technology Partners

The global information governance market is growing strongly, particularly in the US and the EU, driven by increasing regulation and aggressive enforcement actions by the regulators. In particular the European Union regulator, ESMA, is currently implementing a key directive called **Markets in Financial Instruments Directive II** (MiFID II). MiFID II has one key objective, among others, to drive greater market transparency, and part of this requires all firms that trade in the EU to record and store all conversations that lead to a financial services market transaction. The attached link refers and interested readers can review Article 16 therein: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014L0065-20160701>. MiFID II has now come into force and the Company's perception (borne out of direct interaction with a number of client prospects and market reports including recent article references in the Australian Financial Review) is that many financial services firms are far from ready to comply with the far-reaching record-keeping aspects of the legislation.

The US and the UK have similar legislation active already. All of this is driving a strongly growing market opportunity for Norwood's **Corona Compliance** platform.

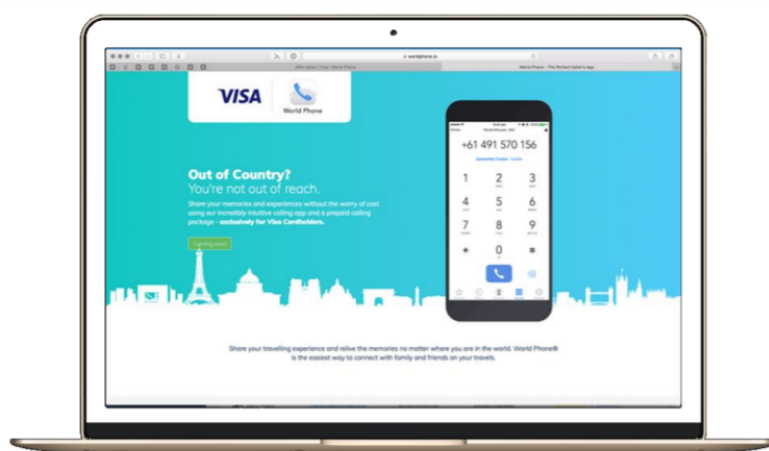
Over the past three quarters, Norwood's **Corona Compliance** platform has been successfully integrated into the Veritas and Global Relay archival platforms, so that Veritas and Global Relay clients can now use **Corona Compliance** and the **World Apps** to capture and archive SMS text messages and smartphone voice calls into their platforms. Work is underway to integrate **Corona Compliance** into Oracle Database Vault and Addcom's voice recording platforms.

The Company is currently progressing with several **Corona Compliance** pilots in partnership with one of its Compliance Channel Partners as Proofs of Concept (POC) for prospective clients in the financial services sector, all located on the East Coast of the United States.

Consumer – Travel and Loyalty

Visa Relationship

Following the launch of a customised **World Phone** bundle for RAC Travel members, Norwood saw significant interest from other potential partners in the travel and loyalty space for similar bundle offers. The interest culminated in a co-marketing partnership with Visa whereby a customised offer has been made available to Visa Cardholders in Australia and New Zealand who are registered to receive Visa Offers or Visa Premium offers and communication.



Norwood's offer landing page for Visa cardholders

In addition to the role **World Phone** plays in the VBMS service and the related **Corona Compliance** and **Corona CRM** applications, the App also enables consumers to save on expensive roaming calls whilst overseas. Customers can call home or around the world using World Phone, using prepaid minutes provided as part of

this package. The Visa Cardholder bundle also includes a complementary In-App “second-line” Australian mobile number.

Scalable Loyalty channel partnerships and transition to World Wi-Fi and World Secure Apps

Norwood has assembled over the past year a strong roster of Loyalty Channel Partners in Affinion, Visa, RAC Travel, plus several additional pending Loyalty relationships that are in progress to be finalised.



Norwood’s Go-To-Market partners for the Loyalty channel

These relationships represent a powerful potential pathway for Norwood to scale revenues in the Loyalty sector over the coming quarters.

Despite strong initial Loyalty Partner interest in **World Phone**, it has become apparent that consumer uptake of the World Phone-based roaming travel packs through Loyalty Partners, such as RAC Travel and Visa, has disappointingly been lower than expected.

Reviewing these results, the Company has chosen to accelerate its planned transition, from promoting **World Phone** as a roaming loyalty benefit, to instead focusing Norwood’s Loyalty Partners on the Company’s newest consumer applicable Apps, **World Wi-Fi** and **World Secure**, both of which are more highly differentiated than **World Phone** to any potential competitors, and which the Company believes will be far more effective vehicles to deliver differentiated value to consumers.

The initial response by Norwood’s existing and prospective Loyalty Partners to the **World Wi-Fi** and **World Secure** loyalty benefit propositions has been very encouraging and the Company looks forward to reporting on substantial commercial progress with its Loyalty channel partners over the coming quarter.

Product Development Activities

The Company was extremely active on the product development front, enhancing and launching new App-based service offerings.



World Secure



World Phone



World Message



World Wi-Fi

Norwood’s Full App Portfolio

Norwood now has four high-quality Apps live on the Apple Store and three equivalent Apps on the Google Play Store. The development team is currently focused on completing **World Wi-Fi** for Android to ensure that Norwood has full coverage of its App portfolio on both major App Stores.

World Phone® v3.0

During the quarter Norwood launched **World Phone Version 3.0** on the Apple App Store. This release marked a significant advance on the previous award-winning **World Phone 2.0** platform.



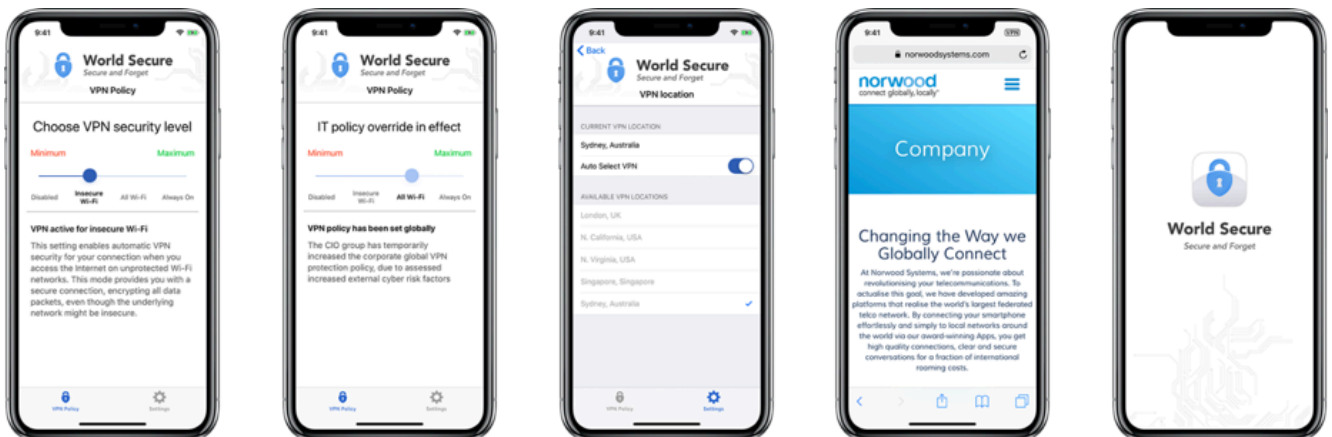
World-class, award-winning Telephony App

Significant improvements have been made around security, reliability, manageability and useability of the App, really focused on key requested enterprise features. The key new features specifically include: high-performance OPUS codec support, full media encryption support, high-performance updated User Interface (UI) and User Experience (UX), machine learning ready and improved accessibility support.

World Phone 3.0 operates on all recent iPhone hardware platforms from the iPhone 5s to the recently launched iPhone X, thereby maximising the potential installed base of iPhone users who can use this App.

World Secure™

Cyber security is at the forefront of many enterprises' concerns. One of the great unaddressed 'security holes' for virtually all organisations is the situation when staff access internet resources through third-party untrusted Wi-Fi networks, creating the potential for identity theft or malware attacks. During the quarter, and as a spin-off from its efforts to develop **World Wi-Fi**, Norwood developed an innovative offering to address this problem, **World Secure**, which was launched post quarter end.



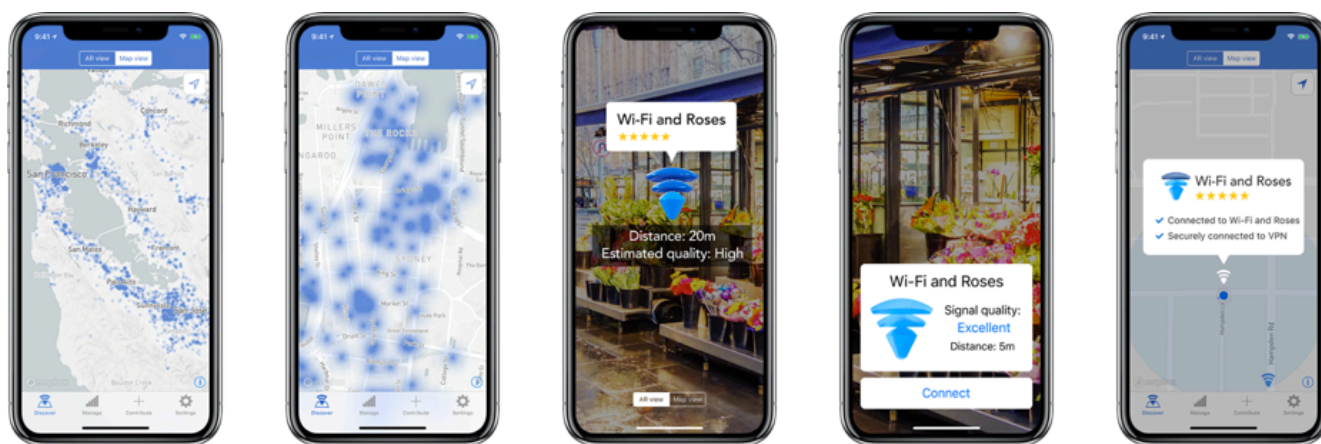
Secure-and-Forget™

World Secure opens up the enterprise cyber-security market for Norwood and is the first VPN App that automatically protects employees against the risks of using insecure Wi-Fi networks for Internet access on their smartphones. The App enables employees to automatically Secure-and-Forget™ their smartphones' wireless data network traffic, in particular when accessing potentially insecure external Wi-Fi networks.

World Secure fits into Norwood's **Corona** overall service architecture, enabling a superior and far safer mobile Internet experience for both organisations and their employees. **World Secure** also delivers much improved security for consumers when accessing public Wi-Fi and is available on the Apple App Store featuring 1, 3 and 12-month subscription offers, and can be positioned as a benefit to Norwood's Loyalty channel partners as noted above.

World Wi-Fi™

Norwood also launched its first release of the revolutionary **World Wi-Fi** App just after end of the quarter. **World Wi-Fi** provides users access to millions of Wi-Fi access points in a simple, easy to use experience, using integrated and sophisticated discoverability, connectivity and security features.



Discover – Connect – Secure™

World Wi-Fi features an innovative Augmented Reality interface to help users quickly and intuitively find nearby Wi-Fi hotspots, with a map to give users a clear understanding of their local coverage at a glance.

It is the first App that puts high-quality mapping of public Wi-Fi network coverage right into the hands of consumers and uses Augmented Reality to help users visualise where their Wi-Fi connections are. **World Wi-Fi** is targeted both at direct to consumer on a 1, 3 or 12-month subscription basis, and as a potential bundled benefit for Loyalty partners, positioned to address the \$50 billion global Loyalty benefits market.

This release of the **World Wi-Fi** App for iOS devices marks a key milestone for Norwood, completing the full targeted portfolio of Apps for Apple devices.

Corporate

During the quarter, the Company successfully raised A\$1.06 million via an oversubscribed placement of 58,777,777 shares to institutional and sophisticated investors. The Placement was conducted to assist with the Company's sales and marketing activities, and general working capital.

For the December quarter cash receipts were A\$65k. The figure was in line with last quarter's, as the Company gains momentum to scale up some of its existing deals. Norwood is confident that the relationships with RAC,

Visa, Affinion and CommSys, in addition to the deal with JMP and collaborations signed during the current quarter, will allow the Company to gain momentum over the next quarters.

Overall cash used in Q2 operating activities was A\$1.3 million and cost control remains a key focus for Norwood. The Board notes the Company's history of raising working capital to fund its growth and remains confident of its ability to raise further funding to accelerate growth as required, and in addition has an approved facility available which allows the Company to receive advance funding on its FY2018 R&D rebate. The cash balance at the end of the quarter was A\$1.0 million.

The Company held its Annual General Meeting on 28 November and all resolutions were passed.

Norwood also hosted a Question and Answer Investor Webinar for the investment community with CEO and Founder, Paul Ostergaard. This was an opportunity for the CEO to provide an update on the Company's recent progress and address questions from shareholders. The management team was pleased with the engagement from the event.

In accordance with ASX Listing Rule 6.1 confirmation previously given to the Company, Norwood provides the following disclosure for the December 2017 quarter:

- i. There are 78,869,761 unlisted Class B performance shares that convert to ordinary shares on a 1 for 1 basis upon Norwood generating gross revenue for any 12 month consecutive period of at least \$3,000,000. The expiry date of the Class B Performance Shares is 9 June 2018.
- ii. There are 3,927,774 unlisted Class B performance rights that convert to ordinary shares on a 1 for 1 basis upon Norwood generating gross revenue for any 12 month consecutive period of at least \$3,000,000. The expiry date of the Class B Performance Shares is 8 June 2018.

During the quarter, 78,869,761 unlisted Class A performance shares expired on 9 December 2017, and 3,927,774 unlisted Class A performance rights expired on 8 December 2017. No performance milestones were met.

<ENDS>

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About Norwood Systems

Norwood Systems Ltd (ASX:NOR) is revolutionizing mobile voice, messaging, data and cyber security services through its pioneering award-winning virtual mobile services platform, Corona® and its award-winning Apps, World Phone®, World Message™, World Secure™ and World Wi-Fi™.

The Company's breakthrough offerings deliver Over the Top (OTT) connectivity, knowledge and intelligence services. Norwood's products and services are targeted at a broad spectrum of prospective customers from individuals through to large enterprises and government agencies.

Norwood has delivered services to more than 6 million customers since launching its platform in mid-2014, servicing people in 200+ countries & territories and 5000+ cities worldwide and has achieved a 4+ App Store rating on all published Apps.

Norwood Systems listed on the ASX in June 2015 and trades with the stock ticker NOR.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

NORWOOD SYSTEMS LIMITED

ABN

15 062 959 540

Quarter ended ("current quarter")

31 DECEMBER 2017

Consolidated Statement of Cash Flows	Current Quarter \$A'000	Year to Date (6 Months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	65	124
1.2 Payments for		
(a) research and development	(355)	(690)
(b) product manufacturing and operating costs	(188)	(295)
(c) advertising and marketing	-	(46)
(d) leased assets	-	-
(e) staff and sales consultants costs	(310)	(623)
(f) administration and corporate costs	(485)	(870)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	35	959
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,237)	(1,439)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(15)	(30)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

Consolidated Statement of Cash Flows		Current Quarter \$A'000	Year to Date (6 Months) \$A'000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(15)	(30)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,058	1,058
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(63)	(63)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	995	995

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,264	1,481
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,237)	(1,439)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(30)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	995	995

Consolidated Statement of Cash Flows		Current Quarter \$A'000	Year to Date (6 Months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,007	1,007

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	956	1,213
5.2	Call deposits	51	51
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,007	1,264

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	(69)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

- Managing Director's Salaries and Wages
- Non-Executive Director's Fees

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(409)
9.2 Product manufacturing and operating costs	(162)
9.3 Advertising and marketing	(58)
9.4 Leased assets	-
9.5 Staff and Sales Consultants Cost	(337)
9.6 Administration and corporate costs	(263)
9.7 Total estimated cash outflows	(1,229)

10. Estimated cash inflows for next quarter	\$A'000
10.1 Research and Development Grant	-
10.2 Forecasted Cash Inflows	107
10.3 Total estimated cash inflows	107

11. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
11.1 Name of entity	-	-
11.2 Place of incorporation or registration	-	-
11.3 Consideration for acquisition or disposal	-	-
11.4 Total net assets	-	-
11.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

[lodged electronically without signature]

31 January 2018

Sign here:
(Director/Company secretary)

Date:

Steven Wood

Print name:

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.