



ASX ANNOUNCEMENT

27 November 2023

Letter to all NORAAA Option Holders

The attached letter is being dispatched today to all holders of NORAAA unquoted options.

This ASX announcement has been authorised for release by Stuart Usher, Company Secretary, Norwood Systems Limited.

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About Norwood Systems

Norwood Systems Ltd (ASX: NOR) is revolutionizing mobile voice and messaging through its ground-breaking cognitive AI services, delivered by its award-winning hyper-scale mobile service platforms and associated applications.

The Company's breakthrough offerings encompass an array of cognitive connectivity services, targeted at a broad spectrum of prospective customers from individual consumers through to Communication Service Providers.

Norwood has delivered services to more than 6 million end user customers since launching its platform in mid-2014, having serviced people in 200+ countries & territories and 5000+ cities worldwide. Norwood Systems listed on the ASX in June 2015 and trades with the stock ticker NOR.

27 November 2023

LETTER TO NORWOOD OPTION HOLDERS

We are writing to you as a registered holder of NORAAA unquoted options (Options) in Norwood Systems Limited to remind you that the options will expire at **5:00pm (AWST) on Sunday 31st December 2023** (“**Expiry Date**”).

Your option holding may be exercised in whole or in part by payment of \$0.024 for each Option and receipt of the attached exercise form (provided by the share registry) no later than the **Expiry Date**.

If payment is not received by the **Expiry Date**, the Options will lapse and all rights under the Options will cease at that time. On exercise, each Option entitles the holder to receive one fully paid ordinary share in the Company.

The course of action available to you as a holder of these soon to expire Options are:

- Exercise all or some of your Options on or before **5:00pm (AWST) on Sunday 31st December 2023**.
- Do nothing (i.e., allow your Options to expire). If you do not exercise your Options they will expire at **5:00pm (AWST) Sunday, 31st December 2023** and your right to subscribe for ordinary shares in Norwood Systems Limited at \$0.024 per share will lapse.

The market sale price of ordinary shares in Norwood Systems Limited on the ASX was \$0.039 on 23 November 2023, being the last trading price prior to the date of this notice. During the three (3) months preceding the date of this notice:

- The highest market sale price of ordinary shares on the ASX was \$0.043 on 17 October 2023.
- The lowest market sale price of ordinary shares on the ASX was \$0.033 on 21 August 2023.

If you wish to exercise all or some of your Options, then you must complete the instructions set out on the “Notice of Exercise of Options” form on the reverse of this notice. A payment of \$0.024 per Option exercised must be received by the Company by no later than **5:00pm (AWST) on Sunday, 31st December 2023**.

If you have any further questions, please do not hesitate to contact the Company Secretary, Stuart Usher at stuart.usher@norwoodsystems.com.

Status of Norwood Operations

The Company has published its quarterly activities and cashflow reports, its last one on 27th October 2023 with ASX. A summary of the September 2023 Quarter activities report follows;

- **Growing customer revenues and strengthened balance sheet continue to support engagement with potential hyperscaler partners and Communication Service Providers (CSPs):**
 - Increased customer revenues of \$389,000 for the September 2023 quarter, double that of the previous quarter (\$194,000 for the quarter ending June 2023).
 - Expecting a further \$125,000 from an R&D loan facility expected to be received in November 2023 for the period of July 2023 to September 2023 R&D expenditure.
 - Cash position enhanced post-quarter-end as a result of an oversubscribed equity placement that added \$710,000 (before costs) to the Company’s balance sheet. Proceeds will fund increased working capital for marketing and business development targeting CSPs and hyperscalers in North America and Europe.

- **Signed a Group Master Supply Agreement (GMSA) with Singapore Telecommunications Limited (Singtel), covering all Singtel operating companies (OpCos):**
 - First Purchase Order (PO) and Statement of Works (SOW) already issued under the GMSA is for delivery of a Proof-of-Concept (PoC) of Norwood's CogVoice Voicemail platform to Optus Australia.
 - Singtel/Optus is now the second CSP to engage commercially with Norwood at a significant level, following the Company's long-term relationship with Spark NZ.
- **Completed a strategic update of the CogVoice Platform to include support for legacy Voice Messaging Services, such as voicemail and voice-to-text services:**
 - Aimed at reducing platform fragmentation, improving operational efficiency, when deploying multiple services to a given CSP, delivering the capability to CSPs of deploying powerful upgrades to legacy voice messaging systems, as well as launching modern voice engagement applications across one platform.
- **Continued to strengthen co-sale relationships with several leading cloud service providers (hyperscalers) as evidenced by their invitations to present on their stands in roadshows and events globally during the September 2023 quarter:**
 - Showcasing the CogVoice™ platform and associated CogVoice applications, including on the Microsoft booth at the high-profile DTW Ignite 2023 conference in Copenhagen in September 2023.
- Further development of Norwood's advanced CogVoice technology platform, leveraging ongoing privileged beta access to the more advanced GPT-4 APIs by OpenAI for the development of downstream applications and the CogVoice platform.
- Progressed work for long-term client Spark NZ as scheduled and continued to receive strong cashflows from operations with Spark NZ.

A personal note from Paul Ostergaard: "As we move forward, I want to thank you for your support of Norwood. We've achieved a lot through our hard work and your trust. Looking ahead, we've got some big plans and strong partners lined up. Choosing to exercise your options is more than just an investment; it's a vote of confidence in what we're building together. Your support is key to our success, and I believe we're on the right track to take Norwood to new levels of success."

Yours faithfully,



Paul Ostergaard
CEO and Managing Director

APPLICATION FOR SHARES UPON EXERCISE OF OPTIONS (NOTICE OF EXERCISE)

A Please complete the following details

I / We, being the registered holder(s) of the Options hereby exercise my/our Options for the following amount of Ordinary Fully Paid Shares,

(In figures)

(In words)

and enclose application money of \$0.024 per share

\$

(Amount payable on exercise)

B METHOD OF ACCEPTANCE

☐

Cheque
Please enter cheque, bank draft or money order details

Drawer

Bank


Branch

Amount

Cheques should be made payable to "NORWOOD SYSTEMS LIMITED" and crossed "NOT NEGOTIABLE" and drawn on an Australian Bank. The application for shares on exercise of the options along with the appropriate proof of remittance should be lodged at Advanced Share Registry Ltd, PO Box 1156, Nedlands, Western Australia 6909.

OR

☐



You can pay by BPAY. If you choose to pay by BPAY, please return the completed and signed form to us via post to the above-mentioned address or by email to admin@advancedshare.com.au.

OR

☐

Electronic funds transfer
Funds can be transferred into the following account:
Bank: **Westpac Bank**
Account Name: **Norwood Systems Limited**
BSB No.: **036-022**
Account No.: **434613**
Swift Code : **WPACAU2S**
The application for shares on exercise of the options along with the appropriate proof of remittance should be lodged with the Company Secretary, at the Company's registered office: Advanced Share Registry Ltd, PO Box 1156, Nedlands, Western Australia 6909.

OPTIONS NOT EXERCISED BY 5.00PM (WST) ON 31 DECEMBER 2023 WILL AUTOMATICALLY EXPIRE.

C SIGNATURE

I/We whose full name(s) and address(es) appear above hereby apply for the number of Shares shown above.
I/We agree to be bound by the Constitution of the Company.

Signature of Shareholder(s) (All joint holders must sign)	Companies Only Executed in accordance with the Company's Constitution and the Corporations Law.
<div><div>Signature</div><div>Date</div></div>	<div><div>Sole Director and Sole Secretary</div><div>Date</div></div>
<div><div>Signature</div><div>Date</div></div>	<div><div>Director</div><div>Date</div><div>Secretary</div><div>Date</div></div>
<div><div>Signature</div><div>Date</div></div>	<div><div>Director</div><div>Date</div><div>Director</div><div>Date</div></div>

Note: If signed under Power of Attorney, a Certified Copy of the relevant Power of Attorney document must be exhibited to the Registry.
The Attorney declares that he/she has had no notice of revocation of the Power of Attorney.

D TERMS AND CONDITIONS

- (a) Each Option entitles the holder to subscribe for a Share upon exercise of the Option.
- (b) Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.024 (Exercise Price)
- (c) Each Option will expire at 5 pm (WST) on 31 December 2023 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).
- (e) The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).
- (g) Within 5 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (h) A notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (i) Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (j) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (l) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (m) The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.