

ASX ANNOUNCEMENT

4 January 2024

EXPIRY OF NORAAA OPTIONS AND REPAYMENT OF LOAN

Expiry of NORAAA Unquoted Options

Norwood Systems Ltd (Norwood or the Company) (ASX: NOR) advises that the Option Class NORAAA unquoted options (Options) have now expired as at 31st December 2023.

The Company achieved a 96.8% conversion rate resulting in the conversion of 75,007,237 Options providing total Options funds of \$1.8M. See table below.

| | Total NORAAA issued | Converted | Option Funds | Conversion Rate % |
|--|----------------------------|-------------------|---------------------|--------------------------|
| Issued under a non-renounceable rights issue prospectus dated 5 th May 2002 | 42,505,971 | 40,007,237 | \$960,174 | 94.1% |
| Issued as underwriter options under the rights issue prospectus dated 5 th May 2002 | 2,000,000 | 2,000,000 | \$48,000 | 100% |
| Issued as corporate advisor options under the rights issue prospectus dated 5 th May 2002 | 1,000,000 | 1,000,000 | \$24,000 | 100% |
| Issued on conversion of Convertible Note held by Balmain Resources Pty Ltd* | 32,000,000 | 32,000,000 | \$768,000 | 100% |
| Total | 77,505,971 | 75,007,237 | \$1,800,174 | 96.8% |

* Balmain Resources Pty Ltd, a company that director, Dr John Tarrant controls.

Paul Ostergaard, Managing Director and CEO said:

“We are delighted with the overall 96.8% conversion rate achieved with our NORAAA options. This overwhelming response not only underscores the confidence our option holders have in Norwood's future but also significantly bolsters our financial position with \$1.8M in gross funds, erasing working capital loans, and significantly improving our balance sheet position coming into the second half of the FY.

“I extend my thanks to our supporters for their visible commitment. Our improved balance sheet puts us in a great position to execute with our partners and clients on our shared goal of delivering amazing mobile network AI agent services this year. It's going to be a great 2024!”

Repayment of Loan

The Company refers to its announcements dated 28 February and 12 May 2023 regarding the working capital facility loan drawn of \$300,000, which was advanced by Balmain Resources Pty Ltd, a company that director, Dr John Tarrant controls.

The Company advises it has now fully repaid and extinguished the loan.

The Company wishes to extend thanks Dr Tarrant for his continued support and commitment to the business.

This ASX announcement has been authorised for release by Paul Ostergaard, Managing Director, CEO and Founder, 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.