

NORWOOD SYSTEMS LIMITED
ACN 062 959 540

PROSPECTUS – OPTIONS PLACEMENT

For an offer of up to 101,880,789 New Options at an issue price of \$0.002 per New Option to raise up to approximately \$203,762 (**Placement Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The New Options offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Mr Paul Ostergaard
Managing Director

Mr Michael Edwards
Non-Executive Director

Mr Giles Everist
Non-Executive Director

Company Secretary

Steven Wood

ASX Code

NOR

Share Registry*

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Registered Office

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NEDLANDS WA 6009

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Website: www.norwoodsystems.com
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Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. TIMETABLE

Record Date for determining Eligible Participants in the Placement Offer	30 October 2020
Annual General Meeting of Shareholders	30 November 2020
Lodgement of Prospectus	3 December 2020
Opening Date of the Offer	7 December 2020
Closing Date of the Offer*	18 December 2020
Despatch of holding statements	22 December 2020
Quotation of New Listed Options under the Offer*	24 December 2020

**The Directors reserve the right to bring forward or extend the Closing Date of the Offer at any time after the Opening Date of the Offer without notice. As such, the date the New Listed Options are expected commence trading on ASX may vary with any change to the Closing Date of the Offer.*

3. IMPORTANT NOTES

3.1 Introduction

This Prospectus is dated 3 December 2020 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The New Options offered pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus. No New Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

The Placement Offer is only being made to Eligible Participants to participate in the Offer.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Options the subject of this Prospectus should be considered highly speculative.

Applications for New Options offered pursuant the Placement Offer can only be submitted on an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.2 Risk factors

Potential investors should be aware that subscribing for New Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for New Options pursuant to this Prospectus.

3.3 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Placement Offer

4.1.1 Background

On 31 October 2020, 101,866,869 NOROA Options expired without being exercised. The Company is undertaking the Placement Offer for the primary purpose of providing eligible holders of the NOROA Options the opportunity to continue to participate in the ongoing development of the Company. Directors, Giles Everist and Michael Edwards are holders of NOROA Options and wish to participate in the Placement Offer.

As Mr Everist and Mr Edwards are related parties of the Company by virtue of being Directors, the Company sought and received Shareholder approval for the issue of New Options to them under their proposed participation in the Placement Offer (refer to resolutions 12 to 13 in the Notice of AGM).

4.1.2 Details

This Prospectus invites Eligible Participants to participate in the placement of up to 101,880,789 New Options exercisable at \$0.08 each on or before 31 October 2021 at an issue price of \$0.002 per New Option.

The Offer is being made available for application by all Eligible Participants on the basis of one (1) New Option for every one (1) NOROA Option held by an Eligible Participant on the Record Date (refer to Section 5.1).

All New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.1 of this Prospectus. All Shares issued upon the future exercise of the New Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.2 for further information regarding the rights and liabilities attaching to Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

There is no minimum subscription under the Placement Offer and there is no provision for oversubscriptions.

4.3 Offer Period

The Placement Offer will open on 7 December 2020 and close at 5:00 pm WST on 18 December 2020 or such later date as the Directors, in their absolute discretion and subject to compliance with the ASX Listing Rules and the Corporations Act, may determine.

4.4 Acceptance

Your acceptance of the Placement Offer must be made by following the instructions on the Application Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Placement Offer as follows:

- (a) accept your **full** Entitlement;
- (b) accept **part** of your Entitlement; or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.5 Payment

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Options which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of New Options (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

By cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "**Norwood Systems Limited**" and crossed "**Not Negotiable**".

Your completed Application Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.6 Implications on acceptance

Returning a completed Application Form will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Application Form, and read them both in their entirety; and
- (b) you acknowledge that once the Application Form is returned the application may not be varied or withdrawn except as required by law.

4.7 Underwriting

The Offer is not underwritten.

4.8 ASX listing

In the event that the Company receives sufficient applications to meet the requirements for quotation of a second class of securities under the ASX Listing Rules, application for Official Quotation of the New Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the New Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Options and will repay all application monies for the New Listed Options within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the New Listed Options is not to be taken in any way as an indication of the merits of the Company or the New Listed Options now offered for subscription.

4.9 Allocation Policy and Shortfall Offer

There is no Shortfall Offer.

4.10 Issue of New Options

New Options issued pursuant to the Placement Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Pending the issue of the New Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for the New Options issued under the Placement Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

4.11 Overseas shareholders

The Placement Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Eligible Participants, the number and value of New Options these Eligible Participants would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Placement Offer is not being extended and New Options will not be issued to Eligible Participants with a registered address which is outside Australia or New Zealand.

New Zealand

The New Options are not being offered to the public within New Zealand other than to Eligible Participants with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand). This

Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Application Form on behalf of any Eligible Participant resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.12 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company participates in the Clearing House Electronic Sub-register System (**CHES**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHES. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with separate statements (similar to a bank account statement) that set out the number of New Options issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month. Eligible Participants may request a holding statement at any other time, however a charge may be made for such additional statements.

4.13 Brokerage and Commissions

No brokerage or commission will be payable by Applicants pursuant to the Placement Offer.

4.14 Enquiries

Any queries concerning the Placement Offer should be directed to the Company Secretary on +61 9 322 7600

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Placement Offer

As set out at Section 4.1, the Company is undertaking the Placement Offer for the primary purpose of providing all previous holders of the NOROA Options the opportunity to continue to participate in the ongoing development of the Company. The Company will raise up to \$203,762 under the Placement Offer, before expenses of \$21,198 (excluding GST). Funds raised under the Placement Offer, after deducting the expenses of the Placement Offer, will be allocated to general working capital.

5.2 Effect of the Offer

The principal effect of the Placement Offer, assuming all New Options offered under the Prospectus are subscribed for and issued and no Options are exercised prior to the date of this Prospectus, will be to:

- (a) increase the cash reserves by \$182,564 (after deducting the estimated expenses of the Offer) immediately after completion of the Placement Offer; and
- (b) increase the total number of Options on issue from 2,765,000 as at the date of this Prospectus to 104,645,789 Options.

5.3 Pro-forma balance sheet

The audited balance sheet as at 30 June 2020 and the unaudited pro-forma balance sheet as at 30 June 2020 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Consolidated Balance Sheet			
	30-Jun-20	Movement	Pro Forma
	\$	\$	\$
ASSETS			
Current Assets			
Cash on hand	152,730	182,564	335,294
Trade and other receivables	171,581		171,581
Total Current Assets	324,311		506,875
Non-Current Assets			
PPE and Right to use assets	230,024		230,024
Total Non-Current Assets	230,024		230,024
Total Assets	554,335		736,899

Consolidated Balance Sheet			
	30-Jun-20	Movement	Pro Forma
	\$	\$	\$
LIABILITIES			
Current Liabilities			
Trade and other payables	450,183		450,183
Borrowings	432,914		432,914
Total Current Liabilities	1,192,437		1,192,437
TOTAL LIABILITIES	1,287,517		1,287,517
NET ASSETS (LIABILITIES)	(733,182)		(550,618)
EQUITY			
Issued capital	30,644,878		30,644,878
Reserves	9,021,872	182,564	9,204,436
Retained Earnings	(40,399,932)		(40,399,932)
TOTAL EQUITY	(733,182)		(550,618)

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Closing Date, is set out below.

Shares	Number
Shares currently on issue	247,852,675
Shares offered pursuant to the Offer	Nil
Total Shares on issue after completion of the Offer	247,852,675

Options	Number
Unquoted Options currently on issue:	
Exercisable at \$0.23 each on or before 15 December 2020	250,000
Exercisable at \$0.28 each on or before 15 December 2020	250,000
Exercisable at \$0.00 each on or before 14 December 2020	800,000
Exercisable at \$0.00 each on or before 20 September 2021	1,200,000
Exercisable at \$0.057 each on or before 2 August 2021	265,000
New Options offered pursuant to the Placement Offer	101,880,789
Total Options on issue after completion of the Offer	104,645,789

The capital structure of the Company on a fully diluted basis as at the date of this Prospectus would be 250,617,675 Shares (assuming all Options on issue are exercised).

5.5 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Apsec Funds Management Pty Ltd	29,856,055	12.00
Paul Frederick Norwood Ostergaard	20,172,349	8.14
Leo Casey	19,155,000	7.70

There will be no change to the substantial holders on completion of the Offer.

6. RIGHTS AND LIABILITIES ATTACHING TO THE NEW OPTIONS

6.1 Terms and conditions of New Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise.

(b) **Exercise Price and Expiry Date**

Subject to Section 6.1 (j), the Options are exercisable at \$0.08 each at any time up to 5.00pm (WST) on or before 31 October 2021 (**Expiry Date**). Any Option not exercised by the Expiry Date will automatically expire on the Expiry Date.

(c) **Exercise**

The Options are exercisable by delivering to the registered office of the Company a notice in writing (**Notice of Exercise**) stating the intention of the Optionholder to exercise a specified number of Options, accompanied by an Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the Optionholder's right to exercise the balance of any Options remaining.

(d) **Timing of issue of Shares upon exercise**

After an Option is validly exercised, the Company must as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the subscription monies due:

- (i) issue the Shares;
- (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 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) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX by no later than 5 Business Days after the date of exercise of the Option.

(e) **Ranking of Shares**

Subject to the Constitution, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the then existing fully ordinary shares of the Company at the date of issue.

(f) **Transferability**

Subject to the Corporations Act, Constitution and the ASX Listing Rules, the Options are transferable.

(g) **Quotation of Shares on exercise**

The Company will apply to ASX for Official Quotation of the Shares issued on exercise of Options.

(h) **Participation rights**

The Optionholder is not entitled to participate in any issue to existing Shareholders of securities unless they have exercised their Options before the relevant "record date" for determining entitlements to the issue of securities and participate as a result of holding Shares. The Company must give the Optionholder notice of the proposed terms of the issue or offer in accordance with the ASX Listing Rules.

(i) **Reorganisation**

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the issued share capital of the Company, then the rights of the Optionholder (including the number of Options to which the Optionholder is entitled to and the exercise price) is changed to the extent necessary to comply with the Corporations Act and the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(j) **Amendments**

There will be no change to the exercise price of the Options in the event the Company makes a pro rata rights issue of securities.

(k) **Adjustments**

Any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Optionholder.

6.2 Terms and conditions of Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued on exercise of a New Option. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of New Options contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The New Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for New Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Going concern risk

The Company's annual financial report for the year ended 30 June 2020 includes a note on the financial condition of the Company and the existence of a material uncertainty about the Company's ability to continue as a going concern.

As disclosed in the annual report of the Company for the financial year ended 30 June 2020, the Group incurred a loss of \$1,891,225, had net cash outflows from operating activities of \$1,329,075 and is in a net liability position of \$733,182 at period end. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on securing additional funding through capital raising activities and the securing of material revenue generating contracts to continue its operational and marketing activities.

The Directors are satisfied they will be able to raise additional working capital as required and thus it is appropriate to prepare the financial statements on a going concern basis.

(b) Additional requirements for capital

The Company's current business will require ongoing expenditures. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

If the Company is unable to source additional capital after exhaustion of existing working capital, there can be no assurance that the Company will have sufficient capital to continue as a going concern.

Any additional equity financing would most likely be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which may limit the Company's business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

The Company, in the ordinary course of its operations and developments, may be required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

The Company is exposed to risks associated with its financial instruments (consisting of cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes the risk that a third party to a financial instrument fails to meet its contractual obligations; the risk that the Company will not be able to meet its financial obligations as they fall due; and the risk that market prices may vary which will affect the Company's income.

(c) **Coronavirus (COVID-19)**

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's CDI price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(d) **Limited trading history**

The Company has limited trading history. The Company is in the commercialisation phase of the business cycle and as such carries the normal risks of a start-up business. Given the limited trading history of the Company, no assurance can be given that the Company will achieve commercial viability through the implementation of its business plan. Whilst the Company is now in a position to earn revenue through customers paying to use its suite of products and services, there is no certainty around the number of customers (if any) that will use the services. Accordingly, the Company is not in a position to give any guidance around likely future revenue or profitability.

(e) **Data loss, theft or corruption risks**

The Company is reliant on the security of its network environment, vendor environments and websites. Breaches of security including hacking, denial of service attacks, malicious software use, internal IP theft, data theft or other external or internal security threats could put the integrity and privacy of customers' data and business systems used by the Company at risk which could impact technology operations and ultimately customer satisfaction with the Company's products, leading to lost contracts and Company revenue. The impact of loss or leakage of customer or business data could include costs for potential service disruptions, litigation and brand damage which may potentially have a material adverse impact on the Company's reputation as well as its profitability. Furthermore, any such historical and public security breaches could impact the Company's ability to acquire future customers and revenue. In addition, substantial costs may be incurred in order to prevent the occurrence of future security breaches.

Whilst the Company has established risk management systems to prevent cyber-attacks and any potential data security breaches, including firewalls, encryption of customer data (storage and transmission) and a privacy policy, there are inherent limitations on such systems, including the possibility that certain risks have not been identified. There can be no guarantee that the measures taken by the Company will be sufficient to detect or prevent data security breaches.

(f) **Uncertainty of future profitability**

The Company is in the commercialisation stage for its virtual mobile services platform, Corona® and Apps, World Phone®, World Message™, World Secure™, World Wi-Fi™ and World Voicemail™. Regarding Corona and the apps, the Company is in discussions with a number of potential customers, however there is no guarantee these discussions will lead to commercial sales. The Company's future profitability will be impacted by its ability to successfully deliver a high level of service to any future potential customers, its ability to execute its development and growth strategies, economic conditions in the markets in which it operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability are uncertain. Moreover, the level of such profitability cannot be predicted.

(g) **New product development and technology risk**

The Company is reliant upon certain technologies and upon the successful commercialisation of these technologies. There is a risk that as marketable technologies continue to develop in the communications industry there may be certain product developments that supersede, and render obsolete, the products and services of the Company. This would adversely affect the profitability of the Company and likely value of its New Options.

(h) **Dependence on third party servers and products**

Part of the business model of the Company will be reliant upon leased third party servers and the performance of those servers. If servers upon which the technology of the Company depends do not operate as expected, the services that the Company provides may be adversely affected.

The majority of the products of the Company require the use of a smart phone or other similar device and as such the business model of the Company is dependent upon the existence and ownership of these devices. There can be no guarantee that these devices will continue to be as widely used as they are currently or that they will not be replaced by alternative devices upon which the Company's technology will not function.

(i) **Competition**

There is significant competition in the telecommunications industry generally. There is no assurance that the Company will succeed in the strategy of developing and supplying high-quality, low-cost telecommunications solutions. Competitors' products may render Corona, World Message, World Phone or other related products developed by the Company obsolete and/or otherwise uncompetitive.

(j) **Development and commercialisation of Corona and Apps, World Phone®, World Message™, World Secure™, World Wi-Fi™ and World Voicemail™**

The Company's business model is reliant on its ability to develop and commercialise Corona and its associated Apps, World Phone®, World Message™, World Secure™, World Wi-Fi™ and World Voicemail™. A failure to develop and commercialise Corona and the Apps successfully would lead to a loss of opportunities and adversely impact on the operating results and financial position of the Company. Furthermore, any third party developing superior technology or with greater commercial appeal in the fields in which the Company operates may harm the future prospects of the Company.

(k) **Customer service risk**

The Company's business model is based on recurring revenue arising from the provision of service and from usage. Poor customer service experiences may result if the Company loses key customer service personnel, fails to provide adequate training and resources for customer service personnel or there is a disruption to monitoring and account management systems utilised by customer service personnel. Poor experiences may result in the loss of customers, adverse publicity,

litigation, regulatory enquiries and customers reducing the use of the Company's products or services. If any of these occur, it may adversely impact the Company's revenues.

There may also be situations in the consumer channel where the end customer service is provided by the Partner or their Client. In such instances, the Company is not able to control the provision of service, the service levels offered, the service systems used, the training of the service personnel or the service support material. Poor experiences may result in the loss of Partners, Partner's Clients or end customers, adverse publicity, litigation, regulatory enquiries and customers reducing the use of the Company's products or services. If any of these occur, it may adversely impact the Company's revenues.

(l) **Relationships with service providers**

If the Company is unable to a) maintain good relationship with its wholesale telecommunications service providers or b) develop and grow its relationships with additional providers, its business will suffer.

The Company's Corona, World Phone®, World Message™, World Secure™, World Wi-Fi™ and World Voicemail™ services and platforms rely on integration with certain capabilities of wholesale telecommunications service providers and aggregators using publicly available application programming interfaces (**APIs**). In general, the Company relies on the fact that such providers continue to allow the Company access to their APIs to enable these service platform integrations. To date, the Company has not relied on long-term written contracts to govern its relationship with such wholesale providers. Instead, the Company is subject to the standard terms and conditions for application developers who are using such APIs, which govern generally the terms of use of access to, and use of, the wholesale telecommunications service providers' platforms, and which are subject to change by these providers from time to time. Any deterioration in the Company's relationship with any such wholesale service provider could harm its business and adversely affect its operating results.

(m) **Retention and recruitment of key personnel**

The emergence of the Company and development of Corona and its associated Apps, World Phone®, World Message™, World Secure™, World Wi-Fi™ and World Voicemail™ has been in large part due to the talent, effort, experience and leadership of its management team, including its CEO and founder Paul Ostergaard. The Company is substantially dependent on the continued service of its existing management team due to the complexity of its services and products. There is no assurance that the Company will be able to retain the services of such persons

(n) **Protection of intellectual property rights**

The Company is the assignee for five patent families, four of which have been granted in Australia. Two of these have also been granted in USA and one in Europe and corresponding applications are pending for the remainder in the US and EU regions. The fifth family is pending in Australia, USA and Europe. Objections have been raised in relation to this mobility patent application family based on the novelty and inventive step requirements, citing an existing patent owned by a third party. If the

Company is not able to overcome these objections, there is a risk that the patent may not ultimately be granted. The prospect of attaining patent protection for products and the technology such as those proposed to be used in the Company business is highly uncertain and involves complex and continually evolving factual and legal questions. These include legislative and judicial changes, or changes in the examination guidelines of governmental patent offices, which may negatively affect the Company's ability to obtain patents for its products and technologies. In addition, the scope of patent applications can be significantly reduced during prosecution of the patent applications, with the result that the scope of protection in the issued patent may be significantly less than the scope of protection initially sought by the Company. As a result, the Company's patent application may not proceed to an issued patent and, if issued, may not be of commercial benefit to the Company, or may not afford the Company adequate protection from competing products. Alternatively, in modifying the relevant claims to address the objections, there is a risk of scope of protection in the issued patent being significantly less than the scope of protection sought by the Company.

The Company may also be forced to litigate to enforce or defend its intellectual property rights, including any granted patents, against infringement and unauthorised use by competitors, and to protect its trade secrets. In so doing, the Company may place its intellectual property at risk of being invalidated, unenforceable, limited or narrowed in scope.

(o) **Liquidity risks**

A significant portion of the Shares on issue are subject to escrow restrictions imposed by the ASX Listing Rules. Investors may consider that there is an increased liquidity risk as a large portion of the issued capital may not be able to be traded freely for varying periods.

7.3 General risks

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors; and
- (v) the demand for, and supply of, capital.

(c) **Terrorism or other hostilities**

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology shares in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Applicants should be aware that there are risks associated with any securities investment. New Options listed on the stock market experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the New Options regardless of the Company's performance.

(d) **Agents and contractors**

The Directors are unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.

(e) **Force majeure**

The Company's operations now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(f) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with the Company's operations is not always available and where available the costs can be prohibitive.

7.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Options offered under this Prospectus.

Therefore, the New Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Options.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Options pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
3/12/20	Appendix 3Y - Change of Director's Interest Notice
3/12/2020	Expiry of Unlisted Options
30/11/20	Results of Meeting
30/11/20	CEO AGM Presentation
27/11/20	AGM Teleconference Details and Withdrawal of Resolutions
23/11/20	Norwood Partners with Amelia to re-invert Telco Voicemail
05/11/20	Appendix 3Y - Change of Director's Interest Notice x 2
04/11/20	Change in substantial holding
04/11/20	Appendix 2A
03/11/20	Proposed issue of Securities - NOR
02/11/20	Appendix 2A
30/10/20	Letter to Shareholders
30/10/20	Notice of Annual General Meeting/Proxy Form
30/10/20	Quarterly Activities and Appendix 4C Cashflow Report
27/10/20	Proposed Grant of New Options to NOROA Optionholders
16/10/20	Clarification to Spark Voicemail Announcement
16/10/20	Spark goes live with Norwood's on premises visual voicemail
12/10/20	Appendix 3Y - Change of Director's Interest Notice
05/10/20	Expiry of Listed Options - Amended
02/10/20	Expiry of Listed Options
31/08/20	Appendix 4G
31/08/20	Appendix 4E and Annual Report to Shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.norwoodsytms.com.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.037	6 November and 21 October 2020
Lowest	\$0.025	27 November and 2 October 2020
Last	\$0.028	2 December 2020

8.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement
Paul Ostergaard	20,172,349 ¹	500,000 ²	Nil
Michael Edwards	615,078 ³	800,000 ⁴	500,000
Giles Everist	125,000 ⁵	800,000 ⁶	500,000

Notes:

1. Consisting of:
 - (a) 12,778,460 Shares held indirectly by Paul Ostergaard as trustee for the Ostergaard Family Trust (Ostergaard Family Trust);
 - (b) 2,647,480 Shares held indirectly by Ocean Broadband Ltd, an entity controlled by Mr Ostergaard; and
 - (c) 4,746,409 Shares indirectly through Netwealth Investments Limited (as trustee for the Chill Cast Super Fund) and controlled by Mr Ostergaard.
2. Held indirectly by Ostergaard Family Trust comprising:
 - (a) 250,000 unlisted options exercisable at \$0.23 on or before 15 December 2020;
 - (b) 250,000 unlisted options exercisable at \$0.28 on or before 15 December 2020.
3. Consisting of:
 - (a) 325,304 Shares held indirectly by Shadwick Nominees Pty Ltd, an entity controlled by Mr Edwards; and
 - (b) 289,774 Shares held indirectly through Navigator Australia Limited (as trustee for the MLC Investment Settlement Account) and controlled by Andrew Edwards.
4. Held indirectly by Shadwick Nominees Pty Ltd, an entity controlled by Mr Edwards.
5. Held indirectly by Sally Marjorie Everist as trustee for the Everist Family Trust (Everist Family Trust).
6. Held indirectly by the Everist Family Trust.

The Directors intend to fully subscribe for their respective Entitlements under the Placement Offer as approved by Shareholders at the Annual General Meeting.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$310,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors for the past two financial years and the proposed remuneration for the current financial year.

	Proposed Remuneration for the year ending 30 June 2021 ¹	Remuneration for the year ended 30 June 2020 ¹	Remuneration for the year ended 30 June 2019 ¹
Paul Ostergaard	\$457,042 ²	\$293,531 ³	\$295,230 ⁴
Michael Edwards	\$87,500	\$71,317	\$56,671
Giles Everist	\$87,500	\$71,317	\$56,671

Notes:

1. The proposed annual remuneration set out above does not include the cost of any options or other incentives securities that may be issued in the future.
2. Consisting of a salary payment of \$268,065, a superannuation payment of \$25,466 and share-based payment of \$163,511.
3. Consisting of a salary payment of \$268,065, and a superannuation payment of \$25,466.
4. Consisting of a salary payment of \$269,616, and a superannuation payment of \$25,614.

8.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$12,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid

fees totalling \$26,578 (excluding GST and disbursements) for legal services provided to the Company.

8.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the New Options), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$21,198 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	2,492
Legal fees	12,500
Printing, share registry, and distribution	3,000
Total	21,198

8.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9322 7600 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.norwoodsystems.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and

any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.11 Privacy Act

If you complete an application for New Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a security holder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on your application for New Options, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Paul Ostergaard
Managing Director
For and on behalf of
Norwood Systems Limited

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Annual General Meeting means the annual general meeting of the Company held on 30 November 2020 as convened by the Notice of AGM.

Applicant means an Eligible Participant who applies for New Listed Options pursuant to the Offer.

Application Form means the application form either attached to or accompanying this Prospectus in relation to the Placement Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus, unless extended by the Directors.

Company means Norwood Systems Limited (ACN 062 959 540).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Participant means a holder of a NOROA Option on the Record Date.

Entitlement means the entitlement of an Eligible Participant who is eligible to participate in the Placement Offer.

NOROA Options means the 101,880,789 expired listed Options exercisable at \$0.08 on or before 31 October 2020 and which were trading under ASX Code: NOROA which the Company previously had on issue.

New Options means the Options to be issued pursuant to this Prospectus on the terms and conditions set out in Section 6.1.

Notice of AGM means the Company's notice of annual general meeting dated 26 October 2020.

Offer means the Placement Offer being made under this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share, including the New Options.

Optionholder means a holder of an Option.

Placement Offer means the offer of New Options to Eligible Participants.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Securities means a Share or an Option or both, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the New Options not applied for under the Placement Offer (if any).

WST means Western Standard Time as observed in Perth, Western Australia.