norwood
intelligent agentic systems

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ASX ANNOUNCEMENT

14 October 2026

Norwood announces A$695,000 convertible note raising

Norwood Systems Ltd (Norwood or the Company) (ASX: NOR) is pleased to announce that it has received a letter of firm commitments from ACNS Capital Markets Pty Ltd ATF The ACNS Unit Trust trading as Alto Capital ("Alto Capital") engaged by the Company in relation to a capital raising of $695,000 (before costs) via the issue of Convertible Notes ("Notes"). The raising was oversubscribed against the minimum A$600,000 target, which was exceeded by approximately 16%.

The principal terms of the Notes are:

- Principal amount: A$695,000.
- Repayment Date: 30 June 2027.
- Face Value: Equal to the principal amount.
- Interest: 10% per annum and paid quarterly in arrears. There is an option for the noteholder to elect to receive Shares in lieu of interest to be issued at a price of $0.019 (1.9 cents) per Share.
- Conversion price: each convertible note will be convertible into Shares at a conversion price of $0.019 (1.9 cents) per Share.
- Security: The Convertible Notes are unsecured.
- The Convertible Notes can be converted to up to **36,578,947** fully paid ordinary shares (ASX: NOR) at $0.019 per share, with a free attaching option issued on the basis of one option for every two conversion shares issued totalling **18,289,474** Options, exercisable at $0.025 (2.5 cents) per option expiring 31 December 2028 ("Note Option"). The free option will be unquoted.
- Note holders may convert at any time prior to the maturity date but not before 31 December 2026.
- The Company has the right to redeem any unconverted Notes before the maturity date by payment to the Note holders of the face value of the Notes subject to the investor's written consent.

Funds will be applied to working capital, product development, commercialisation initiatives and global go to market activities.

The Company will use its existing placement capacity under ASX Listing Rule 7.1 to issue Notes convertible into up to 13,157,895 Shares on conversion of principal. Those Notes may convert from 31 December 2026 without further shareholder approval. The remaining Notes may be issued before the AGM, but their conversion into Shares will be expressly conditional on prior shareholder approval. The issue of subscriber Options is also subject to shareholder approval. Any Shares issued in lieu of interest must be covered by available placement capacity or the applicable approval.

The Company intends to seek the required approvals at its forthcoming AGM, currently targeted for 30 November 2026, subject to confirmation of the meeting arrangements. The Company will apply for quotation of Conversion Shares.

Alto Capital will receive a cash fee of 6% of gross funds raised, plus GST, comprising a 2% management fee and a 4% selling fee. Alto Capital has agreed to pass on the full 4% selling fee to third-party brokers for funds subscribed through them. The Company has also agreed to issue 4,000,000 unquoted broker Options to Alto Capital or its nominees, exercisable at A$0.025 each and expiring on 31 December 2028. Their issue is subject to compliance with the applicable ASX Listing Rules.

An Appendix 3B will be lodged in relation to the proposed issue.

Paul Ostergaard, CEO and Founder of Norwood Systems, said:

> *"This funding strengthens our ability to execute and engage with Tier 1 operators. We are focused on converting our growing global pipeline of Tier 1 opportunities into signed contracts, production deployments and recurring revenue."*

This announcement has been approved by the Norwood Systems Board.

ENDS

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About Norwood Systems

Norwood Systems (ASX: NOR) is a leading innovator in voice communication services, providing advanced conversational and generative AI technologies to revolutionise global communications. Its solutions enhance user experiences, delivering reliable and cutting-edge voice services to customers worldwide.

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