

**ASX ANNOUNCEMENT**

18 November 2015

**Norwood Forges Platform for Accelerated Growth into 2016**

**Highlights:**

- Norwood to raise up to \$7.1 million in funding to accelerate growth into 2016, building on the [successful growth strategy for 2015](#) established in September 2015.
  - Funding comprised of heavily oversubscribed Placement to institutional investors of \$5.6 million and accompanying \$1.5 million Share Purchase Plan.
  - Both Placement and Share Purchase Plan priced at \$0.08 per share, a 6.4% discount to the 10-day volume weighted share price for the company.
  - The raising is at an 86% premium to the closing price of \$0.043 on the Monday two weeks prior to the Company entering into a trading halt (2 November 2015).
  - Share Purchase Plan open to all shareholders registered on the record date of Tuesday 17 November 2015.
- Funds raised will be used to accelerate Norwood's growth objectives for 2016, with over two thirds to be used for additional marketing and customer acquisition and an additional \$1.5 million for Research and Development on current and future service platforms.

"Sharing Economy" telecommunications pioneer Norwood Systems Ltd ("Norwood" or "the Company") (ASX: NOR) is pleased to announce the Company has successfully completed an oversubscribed placement of shares to raise \$5.6 million, with an accompanying Share Purchase Plan to raise an additional \$1.5 million.

Norwood intends to use over two thirds of the up to \$7.1 million in funds raised (pre costs) primarily on additional marketing efforts into 2016, which will see customer acquisition efforts for **World Phone** post Android launch increase well beyond efforts to date. Norwood will also be able to expedite a number of new product developments currently under consideration, with an additional \$1.5 million in Research and Development funding.

Significantly, the Company is now delivering costs of acquisition for new **World Phone** downloads circa 50% lower than those [budgeted on 23 September](#) with costs now ranging from 50c to \$1 per user acquired. This is a direct result of Norwood being able to retain key learnings and iterate marketing improvements through the Company's in-house digital marketing team.

Norwood remains on track to deliver the growth strategy for the remainder of 2015 detailed in the ASX release on [23 September 2015](#), including the impending Android launch for **World Phone** on 30 November 2015.

**Norwood Systems CEO and Founder, Paul Ostergaard, commented:**

*"I am very pleased by the overwhelming support shown for our growth strategy into 2016 by institutions oversubscribing our placement offer, and welcome all our continuing and new long term shareholders who have shown us this vote of confidence. I am also gratified that we can extend the offer at the same price to all our existing shareholders through a Share Purchase Plan.*

*"Raising additional capital is always a challenging step, and it is important for us to be able to demonstrate that we will use and apply shareholder's funds wisely. After raising capital at two cents per share some five months ago, and now raising capital at eight cents, it is clear that our plans have grown beyond those we contemplated*

when first listing. This has been driven by the incredible breakout success of **World Phone**, alongside the continuing promise of our enterprise offering **CORONA**.”

“As we increase the download base of **World Phone**, we inexorably see a corresponding increase in the daily revenue as downloaders convert into paying customers. The additional marketing funds we have secured will allow us to quicken this loop of customer acquisition and then conversion. I’m also looking forward to hastening a number of additional product developments we have been working on behind the scenes.”

“It is clear that our customer acquisition costs for new downloads are now running well below initial budget as our internally run and managed digital marketing efforts narrow in on the most effective campaigns for **World Phone**. These lowered costs of acquisition will only enhance the returns from our monetisation strategies.”

**World Phone** enables users to connect easily with their contacts for roaming or long-distance calls using high-quality, low-cost local landline networks – making it easy and affordable to make international voice calls from a mobile device, anywhere around the globe. **World Phone** also allows users to “Be Local™” whilst travelling and effortlessly set up and subscribe for a nearby local number so that contacts can call users without the inconvenience and cost of dialling their international number.

### Placement and Share Purchase Plan

Under the Placement, 70 million shares (or 9% of the current issued capital) will be issued at a price of \$0.08, raising \$5.6 million before the costs of the offer. Azure Capital and Foster Stockbroking acted as Joint Lead Managers to the Placement. The shares under the Placement will be issued on Tuesday 24 November 2015, with trading to commence the following day.

Under the accompanying Share Purchase Plan, all shareholders registered at the record date can apply for shares at the same issue price as the placement of \$0.08, with 18.75 million shares in total to be issued, raising a further \$1.5 million. The Share Purchase Plan is subject to shareholder approval at a General Meeting of shareholders to be held during December 2015.

The raising price of \$0.08 represents an appropriate discount to recent trading of the company, particularly when looked at over a 20 or 30 day Volume Weighted Average Share Price (VWAP), where the raising is at a premium to the VWAP. The raising is at an 86% premium to the closing price of \$0.043 on the Monday two weeks prior to the Company entering into a trading halt (2 November 2015).

VWAP timeframe	VWAP	Placement Discount (or Premium) to VWAP
5 days	\$0.104	-22.8%
10 days	\$0.085	-6.4%
20 days	\$0.07	<b>13.5%</b>
30 days	\$0.066	<b>20.9%</b>

Full details of how shareholders can participate in the Share Purchase Plan will be set out in the prospectus which is expected to be lodged with ASIC on Wednesday 25 November 2015.

-ENDS-

For Further information, please contact:

<b>Paul Ostergaard</b> , CEO & Founder <b>Office:</b> +61 8 9200 3500 <b>Web:</b> www.norwoodsystems.com <b>Twitter:</b> @norwoodsystems, @paulostergaard	<b>Shane Murphy</b> , FTI Consulting <b>Office:</b> +61 9485 8888 <b>Direct:</b> +61 8 9485 8804 <b>Mobile:</b> +61 420 945 291 <b>Twitter:</b> @ShaneWMurphy
--	---

## Background

Individual travellers, businesses and governments globally are incurring significant international call roaming charges. Informa Telecom estimates that mobile operators today bill more than US\$55 billion annually in roaming charges\*, which is forecast to grow to more than \$80 billion by 2018 (source: *Juniper Research report on the Mobile Roaming Market, 2014*).

Norwood Systems' patent-pending cloud service platforms integrate the international fixed phone network with short-haul Voice over Internet Protocol (VoIP) technologies to optimise roaming business travellers' telephony experiences.

Australian businesses and individual business travellers are using Norwood's services today on multiple continents. The Company has built up a significant pipeline of prospects, including global players in the areas of aviation, professional services, banking, telecommunications, engineering and legal services.

### About Norwood Systems

Norwood Systems Ltd (ASX: **NOR**) is revolutionizing the 'Sharing Economy' delivery of high-quality telecommunications services for individual business travellers and organisations on a worldwide basis. The Company listed on the ASX on 16 June 2015.

Norwood Systems was founded in 2011 to develop and supply the best possible global mobility and roaming solutions using Over The Top (OTT) technologies. The Company's breakthrough offerings, **CORONA™** and **World Phone™**, deliver the world's most advanced international fixed-line roaming solutions addressing a broad spectrum of customers, from individual business travellers all the way through to large enterprise and government clients.

**CORONA** is an award-winning, enterprise-class cloud services platform that integrates compatible mobile devices securely and seamlessly with the organisation's existing Unified Communication or PBX networks, independent of their location.

**World Phone** is an award-winning, revolutionary communications App, delivering effortless 'Sharing economy' consumer access to leading fixed-line network service providers around the world, providing unparalleled local access to high-quality voice networks in more than 90 countries.



**World Phone™**

For personal use only