

ASX ANNOUNCEMENT

31 July 2018

Norwood Corporate Overview and App 4C for June 2018 Quarter

Highlights

- Revitalised Norwood senior leadership team with the addition of two new executives late in the quarter, **Noel Northcott** and **Aidan Montague**, to drive Norwood's revenue, commercialisation and marketing activities
- Development and launch (post-quarter) of a new Visual Voicemail service, **World Voicemail**, targeting the Consumer and Telco markets
- Development and launch (post-quarter) of **new Sentiment Analysis capabilities** for **World Phone** and **Corona** in anticipation of several Requests for Proposals (RFPs) for such capabilities coming from Norwood strategic partners, Oracle and Veritas
- Publishing Norwood's real-time mobile voice recording & transcription Application Programming Interface (API) in Oracle's Open Banking "APLary" and deepening the Oracle relationship across the UK and US regions
- Engagement with Veritas now resulting in potential RFP participation in August/September timeframe
- Agreement signed with **Thomas Cook Money** for the purchase of **World Wi-Fi** subscriptions as part of a pilot program
- Partnership with Fon to expand Norwood's **World Wi-Fi** service footprint using Fon's global footprint
- Development of a unique "first-party" public Wi-Fi dataset for **World Wi-Fi**, proprietary to Norwood, based on Norwood-commissioned contractors surveying the world's major tourist and business districts.
- Norwood delivers revolutionary **World Wi-Fi** App on the Android platform and releases significant upgrade for **World Wi-Fi** for iOS
- Increased product development activities during and post the quarter
 - **World Phone 3.5** for iOS launched on the Apple App Store
 - **World Message 2.5** for iOS launched on the Apple App Store
 - Releases **World Wi-Fi 2.0** for iOS and releases **World Wi-Fi 1.0** on the Android platform
- Complementary and diversified suite of Norwood offerings – **World Voicemail, World Secure, World Phone, World Message and World Wi-Fi** – now all available on the Apple App Store
- Successfully raised A\$1 million to be used primarily for sales and marketing activities
- Company continues diligent cost control exercise

'Sharing Economy' and 'Communications as a Service' pioneer Norwood Systems Ltd (Norwood or the Company) (ASX: NOR) is pleased to provide an overview of the Company's activities for the June 2018 quarter and the accompanying Appendix 4C cashflow report.

Norwood continues to achieve significant client progress in 2018 across its targeted key segments: Virtual Business Mobile Services (VBMS), Compliance, Customer Relationship Management (CRM), Cyber Security and Loyalty, with pipeline and contract negotiation activity advancing robustly in all segments.

Norwood’s CEO and Founder, Paul Ostergaard, said:

*“This has been a strong quarter for Norwood, demonstrated in particular by robust third-party interest in our **World Wi-Fi** and **World Secure** products. Our go-to-market commercialisation strategy for **World Wi-Fi** is based on a mix of travel and loyalty distribution and the pilot program signed with Thomas Cook Money for their users is a tribute to this strategy.*

“Norwood has further strengthened its already strong diversified portfolio of differentiated and novel mobile services, which are all available on the App Stores. We continuing to explore a number of growing opportunities and accounts in our sales pipeline for both the Enterprise and Loyalty segments and our aim is to convert these prospects into revenue-generating clients, as soon as practicable”.

Sales and Commercialisation Activities

Norwood Systems is at a stage where several products and services have been developed to serve three distinct market segments:

Enterprise **BYOD, CRM and Compliance** using Norwood’s Virtual Mobile Services

Telco **World Voicemail** (new service, delivered post end of quarter)

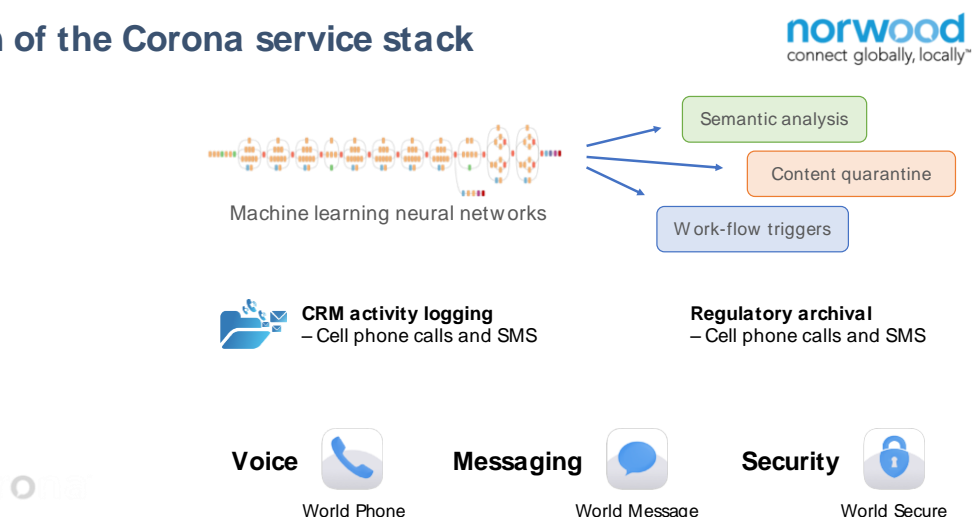
Loyalty **World Wi-Fi** and **World Secure** services

Key activities and achievements per segment are discussed below.

Enterprise Segment – Virtual Business Mobile Services (VBMS), Compliance Archival & CRM Logging

Norwood has devoted a substantial part of its sales and commercialisation efforts this quarter to developing and deepening its strategic partner channel. Norwood has mostly been engaged with four key strategic partners: Oracle, Veritas, Global Relay and AddCom. Most opportunities with these partners are concerned with ‘higher-order’ value-added capabilities and functionality, specifically advanced analytics that can provide their end customers with valuable insights that can help improve their clients’ operational performance.

Evolution of the Corona service stack



The diagram above recalls Norwood’s overall strategy in the enterprise space, with the stated goal of delivering advanced context-sensitive analytics for information flows over a business’s mobile channel covering both voice calls and text messages. The Company is seeing strong interest from its major strategic

partners in this top layer titled “Intelligence” in the above diagram, lending credence to the belief that it has a relatively strong positioning in this space.

The Company continues to explore further potential partnership opportunities and has several discussions with additional prospective partners that are at an early stage of development.

Oracle – Strategic Partnership

Norwood has been developing strategic relationship with Oracle over the past year, resulting in deep engagement with Oracle’s cloud sales and FinTech Sales teams, predominantly in the US and UK.

Norwood is currently working on three core business development approaches with Oracle:

Oracle USA North East Region

- Participating in and supporting Oracle’s Open Banking Initiative in the US North Eastern Sales Region
- Now working with one of Oracle’s Key Account Directors in the region on opportunities related to mobile content capture and integration into Oracle’s CX platform
- Certification by Oracle of Norwood’s published Mobile Content Capture Application Programming Interface (API) to enable third party Oracle partners to integrate seamlessly with Norwood’s Corona platform
- Engagement with a new AI-analytics partner, introduced by Oracle, working towards a three-way partnership on delivering advanced AI-analytics through Norwood’s Corona API onto the Oracle CX platform

Oracle UK

- Norwood is awaiting a Request for Proposal (RFP) for **mobile sentiment analysis** via Oracle UK from a UK-based utility provider, expected in the August/September 2018 timeframe

Oracle Australia

- Initially working with Oracle AU’s ISV team, to plan a co-marketing activity targeting the enterprise segment, whereby Corona will complement their CX and PaaS solutions

Veritas – Strategic Partnership

Norwood is engaged on two key focus areas with Veritas:

- Working with the Veritas Global Strategic Product Team, focusing on the Healthcare sector. Norwood can enable mobile Voice & SMS capture for Health field staff, which works especially well in a BYOD environment.
- Engaged with the Veritas US North East Region sales team, who have recently identified an RFP that requires mobile Voice & SMS capture. Norwood is working to qualify and prepare an RFP response in the August/September timeframe, once the RFP has been issued.

Global Relay – Strategic Partnership

Global Relay has recently introduced one of their largest existing clients, a large hedge fund, to explore Mobile Voice & SMS Capture for compliance. The Company’s next step is to further qualify with Global Relay and deliver a proposal.

Addcom – Strategic Partnership

The Addcom partnership is starting to generate strong leads. In mid-June, Norwood participated in an Emergency Services Communications Expo with Addcom yielding three discrete opportunities for Norwood. Additionally, Norwood is currently engaged with Addcom on implementing a small compliance solution with the local subsidiary of a large international broking house.

Virtual Business Mobile Services and the BYOD market

Both the **Corona CRM** and **Corona Compliance** solutions that Norwood's strategic partners are taking to market, discussed above, are based on Norwood's Virtual Business Mobile Services (VBMS) architecture. The VBMS architecture in its own right has a significant market application for companies that are interested in implementing a Bring Your Own Device (BYOD) strategy in their organisation.

The VBMS proposition is based on SIM-free mobile voice and messaging services delivered to a handset to create a second SIM-independent mobile identity on a mobile handset. The service offers inbound and outbound PSTN voice and SMS, high-quality visual voicemail, free App-to-App voice and messaging, plus a second mobile phone number attached to these services. The service is delivered to a user's handset using the **World Phone** and **World Message** Apps that operate as a business-centric second pair of mobile Apps on the handset.

Fully mirrors the native user experience:

- Reproduces the native App experience for voice and messaging – using two parallel Apps for corporate calling and messaging
- Immediate familiarity – no user retraining needed
- Parallel App architecture ensures clean and complete separation of personal and business records
- Seamless cloud integration to corporate IS/IT

*Existing personal
SIM number:
(212) 123-4567
(Native Apps)*



*Corporate-owned
number:
(212) 823-4567
(World Apps)*



norwood
connect globally, locally™

Norwood has found that the primary drivers for issuing mobile devices to staff today are

- Control of staff mobile communications expenses
- Ownership of the mobile phone number being used for business communications

The traditional BYOD route of subsidizing the employee's mobile phone is unsatisfactory to the extent that the organisation then loses control of employees' mobile numbers when they leave the organisation. This churn creates potential loss of continuity, or worse, business leakage. VBMS uniquely allows a company to transition to a BYOD model, while maintaining control and ownership of the mobile phone numbers being used for the VBMS platform.

Norwood believes there is a substantial global market for VBMS. By way of an example, and per discussions in previous quarterlies, Norwood continues to advance discussions with a significant Australian financial services firm to explore the deployment of Norwood's VBMS service within that firm's employee and contractor base. This case study is outlined for illustrative purposes of the current preliminary interest in, and potential market for, the Company's VBMS service platform.

Discussions with this potential client remain at an early and confidential exploratory stage, however are accelerating in terms of the frequency of interaction. Norwood is targeting to finalise key terms for a prospective initial deployment with this or other potential clients of a similar scale over the coming months. Individual projects of this scale could drive an income of the order of a million dollars or more per annum to Norwood per client, based on Norwood’s discounted VMBS monthly service fees of roughly \$20-25 per month per end user for a volume deployment and acknowledging the potential for multiple thousands of users per large client, such as the illustrated large-scale financial services client discussed above. Such account wins furthermore would create robust reference case studies for future sales of Norwood’s revolutionary BYOD deployment model.

The Company would like to inform the market that enterprise segment revenue targets for JMP, Commsys and Oceaneering are in line with previous commentary.

Telco Segment

World Voicemail – carrier and MVNO opportunities

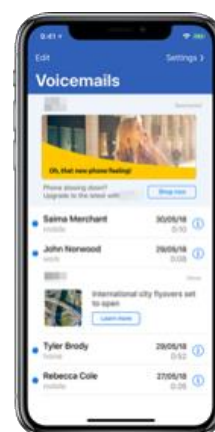
Norwood’s new **World Voicemail** platform enables Telcos or Mobile Virtual Network Operators (MVNOs) who do not yet offer visual voicemail to rapidly deploy a consistent, cross-device platform voicemail solution, delivering the service either via the **World Voicemail** App on iOS and Android smartphones, or via SMS (using state-of-the-art server-based voicemail transcription) to feature phones (i.e. non-smart phones).

Many mobile operators such as MVNOs, who are often dependent on such services being made available by their host network operator do not yet offer visual voicemail to their customers. Services such as visual voicemail are often regarded as premium services by the parent network operator and not made available to the MVNO wholesale partners. There are more than 1,000 MVNOs currently operating around the world¹, and MVNO adoption is growing faster than the overall mobile market.²

Offers / Alerts / News – single-message feed



Multi-message feed



or

A variety of news, alert and promotional channels can be combined to **drive customer engagement KPIs**

Norwood has engaged with a number of carriers around the world and currently has four (4) limited-scale evaluations in progress or about to commence with a small quad-play network operator in Europe, a mobile operator in Mauritius, an MNVO in Australia and a mobile operator in Oceania.

¹ <https://www.fiercewireless.com/europe/report-number-mvnos-exceeds-1-000-globally>

² <https://www.telstrawholesale.com.au/wholesaleconnect/category/growth-&-innovation/the-growing-mvno-world.html>

Norwood's **World Voicemail** platform offers operators a unique ability to convert visual voicemail consumer 'eyeballs' into engagement opportunities. The Company is making available an Application Programming Interface to enable operators to inject additional information streams into a user's voicemail feed in an unobtrusive manner.

Norwood is offering **World Voicemail** as a white-label App and cloud service to operators, as well as making its visual voicemail user interface component available to operators via a Software Development Kit. This enables operators to offer the **World Voicemail** service as an integrated element of their own existing Customer Experience App to help drive ongoing customer engagement.

Norwood expects to earn several dollars per visual voicemail user, net of carrier commissions, per month, in line with existing comparable "bolt-on" offers seen in the mobile telco market. Given the typical size of a telco's subscriber base, even a small single digit percentage penetration of such customer base could quickly yield material revenues for Norwood.

Loyalty Segment

Partnership with Fon to expand Norwood's World Wi-Fi service, using Fon's global Wi-Fi footprint

During the quarter Norwood finalised an agreement with **Fon**, the global Wi-Fi network, for the provision of premium Wi-Fi services within Norwood's **World Wi-Fi** platform. Fon pioneered residential Wi-Fi sharing over a decade ago and, together with leading Telcos, have built the World's largest Wi-Fi community of over 21 million hotspots.

This is a strategic partnership for Norwood which will enable its **World Wi-Fi** users to benefit from secure, super-fast Wi-Fi access. Under the agreement, Fon will provide unlimited monthly access to their premium and carrier Wi-Fi networks around the world, by integrating these networks into Norwood's **World Wi-Fi** platform. Fon's global Wi-Fi footprint forms a highly complementary access layer to Norwood's existing offer of public Wi-Fi locations.

Norwood will have access to Fon's carrier residential networks, covering countries such as the United Kingdom, France and Japan. Additionally, Norwood will have access to Fon's premium networks in prime locations such as airports, hotels, convention centres, shopping malls, train stations and restaurant chains across the world, which users would normally pay to access on a per megabyte basis.

World Wi-Fi selected by leading leisure travel group Thomas Cook

In addition to the partnership with Fon, Norwood entered into a live customer pilot trial with Thomas Cook Money Australia Pty Ltd ("Thomas Cook Money") for the bulk sale of **World Wi-Fi** subscriptions, for the use of Thomas Cook Money customers. Thomas Cook Money is a subsidiary of the Thomas Cook Group, one of the world's leading leisure travel groups.

The success of the customer pilot will be based on customer satisfaction with Norwood's **World Wi-Fi** product and associated Wi-Fi access quality. Results will be continuously evaluated until sufficient positive evidence from up to three hundred customers has been obtained. Subject to achieving successful results during the three-month pilot period, Norwood and Thomas Cook Money propose to enter into a Master Service Agreement (MSA) to bundle the purchased **World Wi-Fi** subscriptions with travel insurance purchases for applicable customers. Thomas Cook Money launched travel insurance into Australia in June 2018 as the first of many innovative digitally led holiday money products. It is understood that the parties will move to a MSA immediately upon sufficient positive pilot results, which may be achieved within a shorter time frame than the total pilot period.

This partnership demonstrates the simplicity and usability of Norwood’s products and confirms the Company’s view that there is strong potential for **World Wi-Fi** to be a bundled benefit for travel and other loyalty schemes, addressing the \$50 billion global loyalty benefits market. Australia is a renowned test market and this pilot program will demonstrate the benefits of bundling Norwood products for much larger overseas markets.

Norwood is targeting a number of potential and existing travel and loyalty program partners for World Wi-Fi distribution contracts for incorporation of **World Wi-Fi** in their customer engagement programs. Norwood’s commercial model for such contracts is designed around making the **World Wi-Fi** App globally available to all members of a loyalty program. In return the loyalty program owner makes an agreed annual upfront payment to Norwood covering the estimated usage. This is referred to as an “embedded pricing model” and reflects standard commercial practice in the loyalty industry.

Product Development Activities

World Voicemail

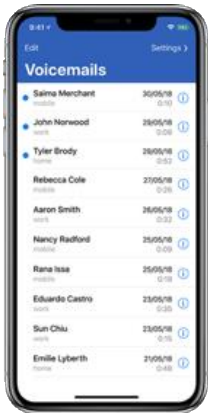
World Voicemail App launched on the iOS Platform

Post-quarter, Norwood released a major new platform it has been developing over the past quarter, **World Voicemail**, targeting both the Telco and Consumer markets. A release is planned imminently for Android devices on the Google Play Store.

At the retail level, **World Voicemail** is specifically targeting consumers around the world who cannot obtain a visual voicemail service from their existing mobile provider. **Significantly, it can be “bolted on” to any consumer’s existing mobile service without any change to their mobile contract or service provider.**

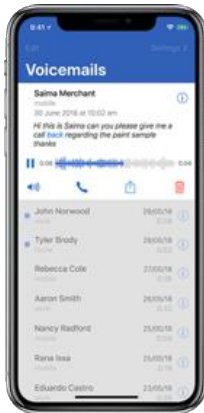
At the wholesale level, the **World Voicemail** platform enables Telcos or Mobile Virtual Network Operators (MVNOs) who do not yet offer visual voicemail to rapidly deploy a consistent, cross-device platform voicemail solution, delivering the service either via the **World Voicemail** App on iOS and Android smartphones, or via SMS (using state-of-the-art server-based voicemail transcription) to feature phones (i.e. non-smart phones).

Easy to use



State-of-the-art user experience on both iOS and Android

Personalised



Multi-language voicemail transcription. User interface is localisable into your choice of language. Can also be delivered via SMS or email

Powerful



Revolutionary text-searchable voicemail archive to create user 'stickiness' and reduce churn

Norwood believes that **World Voicemail** is the first visual voicemail service, world-wide, that allows users to easily search their voicemail archive for keywords. Coupled with no intrinsic storage requirement for saved voicemail, it can transform voicemail from an annoying-to-use feature to something more akin to one’s email

archive, where important messages are retained for future reference. Norwood's revolutionary search capability is made possible through the Company's use of state-of-the-art server-side speech-to-text transcription, delivering approximately 95% speaker-independent recognition accuracy.

A further first for Telco-led deployments of Norwood's **World Voicemail** service is the ability for Telcos to add **offers, news and alerts engagement feeds** to help them improve their customer engagement KPIs in a natural manner without appearing to interrupt or spam their subscribers.

World Wi-Fi

World Wi-Fi App delivered on the Android Platform and significant upgrade for World Wi-Fi released on iOS

In May, Norwood's World Wi-Fi was released for Android devices on the Google Play Store. World Wi-Fi for iOS Version 2.0 was also released on iTunes, featuring substantial performance improvements, including a full user interface re-design, much faster Wi-Fi mapping, rapid location search and benefitting from Norwood's investment in improving the accuracy of Norwood's underlying core global Wi-Fi database.

The App features an innovative Augmented Reality interface to help users quickly and intuitively find nearby Wi-Fi hotspots, with a clear map to give users a clear understanding of their local coverage at a glance. Connection to the presented Wi-Fi networks is typically accomplished with just a few clicks, with an on-demand secure VPN automatically established, using the same technology as Norwood's World Secure product. World Secure and World Wi-Fi have been designed to work together so that there is always a single reliable VPN connection set up for the user, even if both Apps are installed on the one device.

World Secure

World Secure is a revolutionary automated VPN security tool that enables employees in information-sensitive industries to automatically Secure-and-Forget™ their smartphones' wireless data network traffic, in particular when accessing potentially insecure external Wi-Fi networks. World Secure also lets organisations easily adjust staff members' VPN security profiles on the fly in response to evolving cyber-security threats.

Uniquely, World Secure secures employees' smartphone Internet sessions automatically when they are connected to public, insecure Wi-Fi networks, or in response to the organisation's real-time policy for newly discovered threats to secured Wi-Fi.

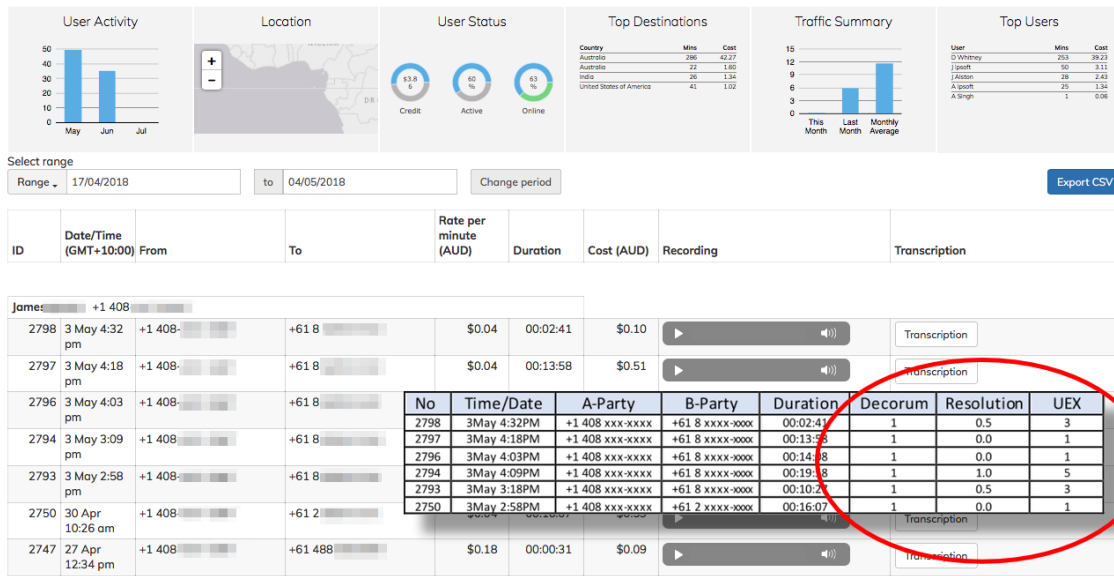
Norwood continues to explore the potential for World Secure as a digital benefit delivered into the Loyalty channel, in particular its major Loyalty Partners, and will report back to the market when meaningful commercial discussions are taking place with prospective clients or partners.

World Message, World Phone and Corona

New end to end AI-Analytics released for World Phone & Corona and World Message

Post-quarter, the Company launched new versions of **World Phone** and **World Message**, versions 3.5 and 2.5 respectively, with corresponding updates for Norwood's associated cloud platform, **Corona**.

The key new features for these new Apps comprise embedded machine learning support across World Phone & **Corona** for voice transcription and sentiment analysis, plus embedded machine learning support for advanced image classification capabilities in **World Message**.



Transcriptions with advanced sentiment scores now captured in Corona Cloud via the World Apps

The “round-trip” real-time voice capture with associated sentiment analysis can be carried out live and in near-real-time³. Norwood considers this to be probably the world’s first example of mobile conversation capture coupled with real-time industrial strength sentiment analysis.

Advanced sentiment analysis on mobile calls and messages is a highly significant and valuable capability. Chief Marketing Officers (CMOs) for example can derive real-time measures of customer satisfaction for interactions with field personnel to immediately identify and rectify any “hot-spots” of poor customer service within their field sales and service teams.

Norwood sees strong commercial potential for mobile sentiment analysis in the large corporate sector, as large companies embark on digital transformation strategies that in turn rely on sophisticated analytics that look into all corporate information flows. To the extent that any company’s mobile communications channel is currently ‘dark’ (or unable to be analysed through such analytics today), most large companies could be considered potential adopters of Norwood’s revolutionary mobile sentiment analysis solution.

Streamlined App deployment for Corporate clients

Norwood now offers a ‘Direct MDM App Provisioning Option’ to its Enterprise clients, bypassing the need for their employees to download World Apps personally from the iTunes App Store or Google Play Store. Instead the World Apps are directly provisioned on employee devices using the Enterprise client’s Mobile Device Management (MDM) platform.

This new direct deployment option enables Enterprise IT administrators to deploy World Apps immediately on employee smartphones without needing employee involvement or any interaction with the App Stores. This is far more efficient than the existing deployment model where employees were required to manually install the World Apps from an App Store.

Coupled with Norwood’s Direct MMD App Configuration Option, Enterprise IT Administrators now have a zero-touch World App deployment model available, allowing for potentially thousands of devices to be provisioned and configured virtually immediately to use Norwood’s Virtual Business Mobiles Services (VBMS). Norwood

³ Norwood leverages several third-party analytics firms to deliver ‘turn-key’ end-to-end mobile sentiment analytics, anchored by its proprietary mobile content capture solution comprised of World Phone, World Message and Corona.

now offers both Direct MDM App Provisioning and Direct MDM App Configuration Options for both Android and iOS devices for the following World Apps: World Phone, World Message and World Secure.

In general terms, the Company has never been in better shape from a technology portfolio perspective, maintaining a broad and diverse set of App-enabled technologies servicing a number of diversified product/market segments.



Norwood’s Full App Portfolio as at 30 July, 2018

Norwood remains highly confident in the ability of its suite of products and services to deliver on the Company’s long-term objectives, particularly given the interest shown by major international partners such as Oracle and Veritas. In particular there are a number of opportunities for near-term upfront revenue, spread across the telco, the loyalty and enterprise segment, which the Company considers to be highly encouraging evidence that its refreshed portfolio of virtual mobile services, Corona CRM, Corona Compliance, World Secure, World Wi-Fi, and most recently World Voicemail, is gaining traction in the market.

The feedback that Norwood has received in its recent interactions with large potential and prospective partners is that they are drawn to Norwood due to the perceived strength and spread of Norwood’s portfolio of differentiated and novel mobile services. Norwood is greatly encouraged by this feedback and is re-doubling its efforts to convert it into secured deals with meaningful upfront and ongoing revenue.

Corporate

During the quarter, the Company closed the fully underwritten Share Purchase Plan previously announced on 14 March 2018 (“SPP”), successfully raising the full \$1 million in gross proceeds sought under the SPP via the issue of 80m shares at 1.25 cents per share. The SPP allowed eligible shareholders to apply for up to 1.2m or \$15,000 worth of additional shares at an offer price of 1.25 cents per share. This was the same price per share as the successful \$1 million placement announced at the same time as the SPP. In all, shareholders took up \$607,000 in additional shares, just over 60% of the total of the SPP, with the shortfall of the SPP, being \$393,000, placed by the underwriter, Somers & Partners Pty Ltd.

The Company had \$1.078m cash at bank at the end of the quarter, and anticipates an R&D rebate of approximately \$522,000 (net of R&D repayments to Radium Capital) to be received at the end of the September quarter.

<ENDS>

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Norwood is changing the way we globally connect

At Norwood Systems, we're passionate about revolutionising your telecommunications. To actualise this goal, we have developed amazing platforms that realise the world's largest federated telco network. By connecting your smartphone effortlessly and simply to local networks around the world via our award-winning Apps, you get high quality connections, clear and secure conversations for a fraction of international roaming costs.

About Norwood Systems

Norwood Systems provides voice, messaging and data services to consumers, enterprises and carriers globally, leveraging its' federated telecommunications services network partnerships. Our mission is to deliver disruptive end-user communications apps that streamline and simplify how users around the world can access affordable, high-quality telecommunications services – anywhere, anytime.

Norwood has solutions that service Enterprise, Telco and Partner channels.

Our [Enterprise Solutions](#) deliver powerful, yet simple corporate communications platform to make communications more cost effective, easier to manage, and regulatory compliant. This is all made possible by Corona® with its suite of mobility Apps.

Norwood Systems' innovative World Voicemail [Telco Solution](#) addresses mobile network operators (MNOs) and mobile virtual network operators (MVNOs).

Finally, our [Partner Solutions](#) are designed for the forward looking, customer driven Travel and Loyalty partner, providing an easy way to invigorate brand offerings with App based benefits.

Norwood Systems listed on the ASX in June 2015 and trades with the stock ticker NOR.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

NORWOOD SYSTEMS LIMITED

ABN

15 062 959 540

Quarter ended ("current quarter")

30 JUNE 2018

Consolidated Statement of Cash Flows	Current Quarter \$A'000	Year to Date (12 Months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	80	261
1.2 Payments for		
(a) research and development	(334)	(1,415)
(b) product manufacturing and operating costs	(116)	(602)
(c) advertising and marketing	(31)	(107)
(d) leased assets	-	-
(e) staff and sales consultants costs	(310)	(1,237)
(f) administration and corporate costs	(355)	(1,506)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	959
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,066)	(3,645)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(41)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

Consolidated Statement of Cash Flows		Current Quarter \$A'000	Year to Date (12 Months) \$A'000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(41)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,000	3,058
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(65)	(131)
3.5	Proceeds from borrowings	-	357
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	(1)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	935	3,283

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,209	1,481
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,066)	(3,645)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(41)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	935	3,283

Consolidated Statement of Cash Flows		Current Quarter \$A'000	Year to Date (12 Months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,078	1,078

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,029	1,158
5.2	Call deposits	51	51
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,078	1,209

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	62
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

- Managing Director's Salaries and Wages
- Non-Executive Director's Fees

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	357	357
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Key Facility Terms:

- Counterparty: Innovation Structured Finance Co LLC facilitated by Radium Capital
- Amount: 80% of the expected R&D tax offset resulting from each period's eligible R&D expenditures, with principal and interest repaid from the actual tax offsets at the end of the financial year.
- Final Maturity Date: 31/10/2018.
 - Norwood has the option to repay earlier without penalties.
- Interest Rate: 15% per annum
- Security: Secured against the R&D refund receivable from the ATO
- Conditions: R&D expenditure has to be reviewed by R&D Tax Consultants
- Purpose of Loan as per agreement: Wholly or predominantly for working capital or research and development expenditures.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(348)
9.2 Product manufacturing and operating costs	(89)
9.3 Advertising and marketing	(24)
9.4 Leased assets	-
9.5 Staff and Sales Consultants Cost	(289)
9.6 Administration and corporate costs	(288)
9.7 Total estimated cash outflows	(1,037)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

[lodged electronically without signature]

31 July 2018

Sign here:
(Director/Company secretary)

Date:

Steven Wood

Print name:

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.