

ASX ANNOUNCEMENT

30 October 2025

**Operations Overview and Appendix 4C for the 30 September 2025 Quarter**

**Continued positive operating cash flow, debt reduction and product progress underpin disciplined execution.**

**Highlights**

- **Second consecutive quarter of positive operating cash flow**, enabling further reduction of outstanding debt.
- **Refinanced outstanding debt:** Refinanced the remaining portion of the Balmain Resources Pty Ltd cash drawdown facility, amount \$345k, aligning repayments more closely with expected cash receipts.
- **Retired FY2025 facility with Radium:** No amounts currently outstanding.
- **Strong Optus project progress:** Fourth project milestone delivered, resulting in additional cash inflow.
- **Microsoft partnership:** International go-to-market advanced in partnership with Microsoft telco account teams across multiple regions, strengthening pipeline activity.
- **Sales pipeline growth:** Several new opportunities across four continents, pursued individually or jointly with Microsoft.
- **Post-quarter:** secured a short-duration proof-of-concept for OpenSpan™ Call Protect with a Tier-1 APAC operator (not material but strategically encouraging).
- **OpenSpan:** Protocol updates aligned with evolving agentic interfacing standards.
- **Agent Dojo:** Ongoing improvements to reduce response latency to best-practice levels.
- **Industry Recognition:** Secured three prestigious awards during the quarter: a National iAwards Merit award for OpenSpan Call Protect, the Research & Innovation Industry Award for OpenSpan Call Protect and the Dr Mal Bryce Western Australian Tech Company of the Year Award at the 34th annual WAITTA Incite Awards.

Norwood Systems Ltd (“**Norwood**” or the “**Company**”) (ASX: NOR), a leading cloud-native AI service platform innovator, is pleased to provide an overview of the Company’s activities for the September 2025 quarter and the accompanying Appendix 4C cashflow report.

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

*“The September quarter delivered a second consecutive period of positive operating cash flow alongside further balance-sheet optimisation. Recognition at the National iAwards, following success at the WAITTA Incite Awards, and the post-quarter Tier 1 Call Protect POC demonstrate steady execution across delivery, product and market engagement.”*

## Sales and Commercial Activities

### 1. Optus

- Project implementation well underway.
- A further milestone was signed off, generating additional cash inflow for Norwood.

### 2. Tier-1 Pipeline Expansion

- Post -quarter: Secured a short-duration paid OpenSpan Call Protect POC with a Tier 1 APAC operator, currently underway.
- North America: Ongoing engagement with the Consumer and Business teams of the US Tier-1 Communication Services Provider (CSP) with whom we conducted an OpenSpan Proof of Concept (POC) in late 2024. An additional POC under discussion with another North American CSP.
- EMEA/APAC: Progressing several further POC engagements and proposals.

### 3. Strategic Partnerships

- Microsoft joint-go-to-market continuing actively; multiple Norwood/Microsoft operator briefing sessions conducted over the September 2025 quarter and several are scheduled for the current December 2025 quarter.
- AWS architecture work continues, focusing on carrier-grade scalability, resiliency and security options.

### 4. Spark NZ

Our six-year relationship with Spark continues to deliver predictable operating cashflows.

### 5. Industry Recognition and Awards

Norwood achieved significant national and state-level industry recognition, receiving a prestigious National iAward Merit recognition in August 2025, following on from receiving two awards at the 34th WAITTA Incite Awards held 18 July 2025.

These awards underscore Norwood's strong strategic positioning and ongoing commitment to innovation and excellence. Norwood is now a finalist representing Australia at the APICTA awards to be held in Taiwan in early December 2025.

## Product and Service Development Activities

- **CogVoice Voicemail:** Optus deployment driving scalability and resiliency hardening, Optus-specific interface development and automation of on-boarding and data migration workflows.
- **OpenSpan:** Ongoing development of OpenSpan's protocol interfaces, incorporating new agentic interface standards.

- **Rich Communications Services (RCS):** Expanded the core dialogue stack to support RCS-based agentic interactions, positioning Norwood to capture new opportunities in non-voice messaging communication channels. External beta testing targeted for Q2 FY26.
- **Outbound AI Sales Agents:** Continued alpha live trial evaluations during the September 2025 quarter, covering selected closed-loop sales scenarios.
- **CogVoice SME Assistant:** Continuing work during the September 2025 quarter on the self-service web portal for the SME Assistant.
- **CogVoice Agentic IVR:** Continued development and testing of new scenarios.
- **Research & Development:** Ongoing engagement with its four research institution partners, with Norwood collaborating with these partners on innovation in ultra-low-latency inference, low-resource speech packs and adaptive fraud models.
- **Agent Dojo:** A new mobile demonstration platform soft-launched during the June 2025 quarter, and evaluated positively by multiple operators during the September 2025 quarter, enabling CSPs to rapidly evaluate the real-time performance of Norwood's full suite of agentic solutions. The application is a marketing tool – it showcases advanced functionalities across a number of agentic use case scenarios.

## Financial Commentary

Norwood continued to invest in research and development during the September 2025 quarter.

The Company's voicemail platform supply contract with Optus progressed steadily during the quarter, with a further milestone delivered and the associated contract payment received within the period. Additionally, the Spark contract continued to deliver revenues in line with expectations.

### Debt Restructuring

Norwood has refinanced the remaining balance of its Balmain facility via a new unsecured, short-term \$345,000 loan from a private lender. The facility carries fixed interest of \$34,500 (no compounding), is repayable in two instalments – \$79,500 by 17 October 2025 and \$300,000 by 28 November 2025 (maturity 28 November 2025) – and includes a non-compounding management charge of \$2,000 per seven days on any overdue amount. No security over Company assets has been granted and no shares, options or other equity were issued in connection with the refinancing.

Proceeds have been applied to fully discharge the outstanding Balmain balance, with the Balmain facility having been terminated on completion of the new loan settlement. The new refinancing aligns the repayment timetable to expected operating cash receipts.

### Resignation of Director

On 17 September 2025, the Company announced the resignation of Dr John Tarrant as a Director and Chair of the Company.

## R&D Loan Facility

Norwood has leveraged a loan facility for R&D work through Radium Capital. This facility is accessible after each quarter's end, subject to certain criteria. The Company retired its FY 2025 R&D loan facility, amounting to \$518,000 using proceeds from its R&D tax refund, received in August 2025.

## Business Activities Expenditure

Over the September 2025 quarter, Norwood continued to invest in R&D, product development, and sales activities. Key expense items included:

- Research & Development: \$246,000 in the quarter.
- Staff Costs: \$285,000 in the quarter.
- Administration & Corporate Costs: \$238,000 in the quarter.

These outlays support the Company's strategic focus on AI-driven product development and commercialisation opportunities.

## Quarterly Cash Flows

- Cash Receipts in the September 2025 quarter reached \$487,000.
- Net Operating Cash Inflow for the September 2025 quarter was \$388,000.
- Closing Cash held as at 30 September 2025 was \$29,000. Norwood is expecting to receive approximately \$600,000 during Q2 FY2026 from R&D factoring, existing invoices and contracted work-in-progress.

## Payments

Norwood notes that item 6.1 in the Appendix 4C relates to executive director salary and superannuation.

## ENDS

### For media inquiries, please contact:

**Paul Ostergaard**, CEO & Founder

**Office:** +61 8 9200 3500

**Web:** [www.norwoodsystems.com](http://www.norwoodsystems.com)

**Email:** [info@norwoodsystems.com](mailto:info@norwoodsystems.com)

## 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.

# Appendix 4C

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

NORWOOD SYSTEMS LIMITED (ASX: NOR)

ABN

15 062 959 540

Quarter ended (Current quarter)

30 September 2025

### Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (3 Months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	487	487
1.2 Payments for:		
(a) research and development	(246)	(246)
(b) product manufacturing and operating costs	(57)	(57)
(c) advertising and marketing	(59)	(59)
(d) leased assets	-	-
(e) staff costs	(285)	(285)
(f) administration and corporate costs	(238)	(238)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) / refunded	-	-
1.7 Government grants and tax incentives	786	786
1.8 Other: (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>388</b>	<b>388</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – Bank Guarantee (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

Consolidated statement of cash flows	Current Quarter \$A'000	Year to date (3 Months) \$A'000
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	345	345
3.6 Repayment of borrowings	(842)	(842)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other: <i>Payments for the principal portion of lease liabilities</i>	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(497)</b>	<b>(497)</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	138	138
4.2 Net cash from / (used in) operating activities (item 1.9 above)	388	388
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(497)	(497)
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>29</b>	<b>29</b>
<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	4	113
5.2 Call deposits	25	25
5.3 Bank overdrafts	-	-
5.4 Other (provide details):	-	-
<b>5.5 Cash and cash equivalents at end of quarter</b> (should equal item 4.6 above)	<b>29</b>	<b>138</b>
<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>	
6.1 Aggregate amount of payments to related parties and their associates included in item 1	26	
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-	
Note: if any amounts are shown in items 6.1 and 6.2 your quarterly activity report must include a description of, and an explanation for, such payments		
Salary and superannuation payments to Managing Director, see quarterly report commentary.		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.		
7.1 Loan facilities <i>see 7.6(a),(b)</i>	345	345
7.2 Credit standby arrangements	-	-
7.3 Other (please specify): <i>Convertible Notes see 7.6(c)</i>	135	135
<b>7.4 Total financing facilities</b>	<b>480</b>	<b>480</b>
<b>7.5 Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>(a) Replacement facility agreement</b>	
On 3 September 2025, the Company announced it had refinanced the remaining balance of its loan with Balmain Resources Pty Ltd. The outstanding balance was fully discharged and replaced using a new short-term unsecured loan facility of \$345,000, on the following key terms:	
<i>Lender:</i>	Dilek Saticieli (a shareholder holding 8,000,000 shares or 1.55% of the Company).
<i>Principal:</i>	\$345,000.
<i>Interest:</i>	Fixed \$34,500 (non-compounding).
<i>Repayments:</i>	\$79,500 due 17 October 2025; \$300,000 due 28 November 2025.
<i>Maturity:</i>	28 November 2025.
<i>Default charges:</i>	\$2,000 per 7-day period on overdue balances (non-compounding).
<i>Security/equity:</i>	None (no security granted; no equity securities or options issued).
<b>(b) Unsecured Convertible Notes ("Notes"):</b>	
<i>Principal amount</i>	\$135,000 (remaining, from an original \$505,000)
<i>Repayment Date</i>	31 December 2025
<i>Face Value</i>	Equal to the principal amount
<i>Interest</i>	10% per annum. There is an option to elect to receive shares in lieu of interest to be issued at a price of \$0.03 per share.
<i>Conversion</i>	The remaining Notes, after partial conversion up to 30 June 2025 can be converted to 4,166,667 million fully paid ordinary shares at \$0.03 per share, with a free attaching unquoted option issued on the basis of 33.33 options for every dollar subscribed for, exercisable at \$0.03 per option expiring 31 December 2026. Note holders may convert at any time up to the repayment date except for the director convertible note holdings representing 3,333,000 fully paid ordinary shares which must receive shareholder approval to convert. Approval is being sought as the AGM on 28 November 2025.
<i>Redemption</i>	The Company has the right to redeem any unconverted Notes at the repayment date by payment to the Note holders of the face value of the Notes.

	\$A'000
<b>8. Estimated cash available for future operating activities</b>	
<b>8.1 Net cash from / (used in) operating activities</b> (Item 1.9)	388
8.2 Cash and cash equivalents at quarter end (Item 4.6)	29
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	29
<b>8.5 Estimated quarters of funding available</b> (Item 8.4 divided by Item 8.1)	N/A

*Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.*

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. *Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?*

Answer:

N/A

2. *Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*

Answer:

N/A

3. *Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

Answer:

N/A

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

### Compliance statement

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

Date: Thursday, 30 October 2025

Authorised by: The Board  
(Name of body or officer authorising release – see note 4)

### Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow 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 cash flow 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.
- 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.
- If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.