norwood
intelligent agentic systems

ASX ANNOUNCEMENT

20 July 2026

Operations Overview and Appendix 4C for the 30 June 2026 Quarter

Record FY26 customer cash receipts of A$2.327 million, successful on-time Tier-1 paid Voice AI pilot delivery and expanding global OpenSpan momentum mark a commercial inflection point.

Highlights

- **Announced Tier-1 commercial value**: More than A$2.5 million associated with four carrier engagements announced during June 2026, comprising contracted enhancement work, estimated renewal revenue and paid pilots.
- **CogVoice expansion**: Signed A$595,000 plus GST contract enhancement with an existing Australian Tier-1 operator for further solution enhancement, implementation and delivery.
- **Production contract renewal**: Premium visual-voicemail services with a long-standing Tier-1 carrier were extended to 30 June 2028, with estimated revenue of approximately A$1.5 million over the renewal term, subject to usage volumes and foreign exchange movements.
- **Australian OpenSpan pilot**: The A$200,000 (excluding GST) Microsoft-contracted pilot was completed successfully and on schedule in the first half of July 2026. The full pilot value has now been invoiced, with payment expected early in the current quarter. Production roll-out discussions are expected to follow.
- **UK OpenSpan pilot**: Executed a £150,000 excluding VAT paid pilot agreement (approximately A$285,000 at the announcement-date exchange rate) with a major UK telco. Delivery commenced in June 2026 and the first progress invoice of approximately A$160,000 has been issued, with receipt expected in the current quarter.
- **Record customer cash receipts**: A$584,000 for the June 2026 quarter and a new Company record of A$2.327 million for FY26 – 18% above FY25's previous record of A$1.967 million. FY26 was the first year above A$2 million and the sixth consecutive year above A$1 million.
- **Operating cash discipline**: Net operating cash outflow was A$222,000 for the June 2026 quarter and A$209,000 for FY26. The A$473,000, or 69%, full-year improvement was driven principally by higher customer receipts and grant and tax-incentive receipts, while aggregate operating payments were slightly lower.
- **Capital management**: A$349,507 gross proceeds were received from the exercise of 13,980,272 options; A$108,264 of principal and interest was repaid on the Plough Lane Superannuation Pty Ltd loan, reducing the outstanding balance to A$180,000.
- **Quarter-end cash**: Cash and cash equivalents were approximately A$176,000 at 30 June 2026, compared with A$43,000 at 31 March 2026.
- **Near-term FY27 customer receipts and commercial progress**: As at mid-July 2026, approximately A$750,000 of identified customer receipts are expected during Q1 FY27, including existing works-in-progress, issued pilot invoices and Spark New Zealand's regular annual payment. Separately, successful Call Protect POCs with an APAC operator and a US Tier-1 operator have progressed to follow-on commercial discussions. No production award should be inferred unless definitive agreements are executed.

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 June 2026 quarter and the accompanying Appendix 4C cash flow report.

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

> *"FY26 closed with record customer cash receipts of A$2.327 million, 18% above FY25 and the first time annual customer receipts have exceeded A$2 million. Higher customer receipts, slightly increased grant and tax-incentive receipts and slightly lower aggregate operating payments reduced full-year net operating cash outflow by 69%, from A$682,000 (FY25) to A$209,000 (FY26).*
>
> *"The successful, on-time completion of the Australian Tier-1 pilot, our continued delivery of the UK pilot and successful Call Protect POCs in APAC and the United States demonstrate both the relevance and rapid deployability of OpenSpan. With Tier-1 pilot invoices issued, Spark New Zealand's regular annual payment expected and active follow-on commercial discussions underway, we enter FY27 with strong commercial momentum and already approximately A$750,000 of identified customer receipts expected during Q1 FY27, subject to normal customer payment processes."*

Sales and Commercial Activities

1. More than A$2.5 Million of Announced Tier-1 Commercial Value

The four June 2026 outcomes comprised approximately A$2.1 million of contracted enhancement work and estimated renewal revenue with established production customers, together with approximately A$0.5 million of paid OpenSpan pilots with Tier-1 operators in Australia and the UK.

This mix demonstrates the diversity of Norwood's carrier-grade service base and growing commercial validation of the Company's Voice AI strategy.

2. Existing Carrier Relationships: Expansion and Renewal

A signed contract variation added A$595,000 plus GST of further solution enhancement, implementation and delivery work to an existing CogVoice program with an Australian Tier-1 operator.

A long-standing Tier-1 carrier extended premium visual-voicemail services to 30 June 2028, with estimated revenue of approximately A$1.5 million over the term of the contract extension.

The renewal combines recurring licence and maintenance fees with usage charges. Actual revenue depends on end-user volumes and foreign exchange movements. The announced values should not be read as equivalent to June 2026-quarter revenue or cash receipts.

3. OpenSpan Paid Pilot – Australian Tier-1 Operator

A Microsoft-contracted paid pilot valued at A$200,000 (excluding GST) commenced delivery in a live Australian Tier-1 carrier environment during the quarter. Using Microsoft's Azure Kubernetes Service and Azure Foundry, the pilot evaluated small-business concierge and receptionist workflows for carrier-scale deployment.

Norwood completed the pilot successfully and on schedule in the first half of July 2026. The full pilot value has now been invoiced, with payment expected early in the current quarter. The timely delivery is a strong carrier-grade execution proof point, and Norwood and the Tier-1 client are discussing next steps, including a potential production rollout of the evaluated service.

4. OpenSpan Paid Pilot – Major UK Telco

Norwood executed a £150,000 (excluding VAT) paid pilot (approximately A$285,000 at the announcement-date exchange rate) with a major UK telco for OpenSpan and selected CogVoice applications. Delivery commenced in June 2026 and remains scheduled to run to approximately mid-September 2026. The first progress invoice of approximately A$160,000 has already been issued, with payment expected in the current Q1 FY27 quarter. Norwood and the client are working in parallel on post-pilot production planning to enable a potential product launch in Q4 CY2026, subject to successful completion of the pilot and client approval to proceed to production.

5. Near-Term FY27 Customer Receipts and Global Call Protect Commercial Progress

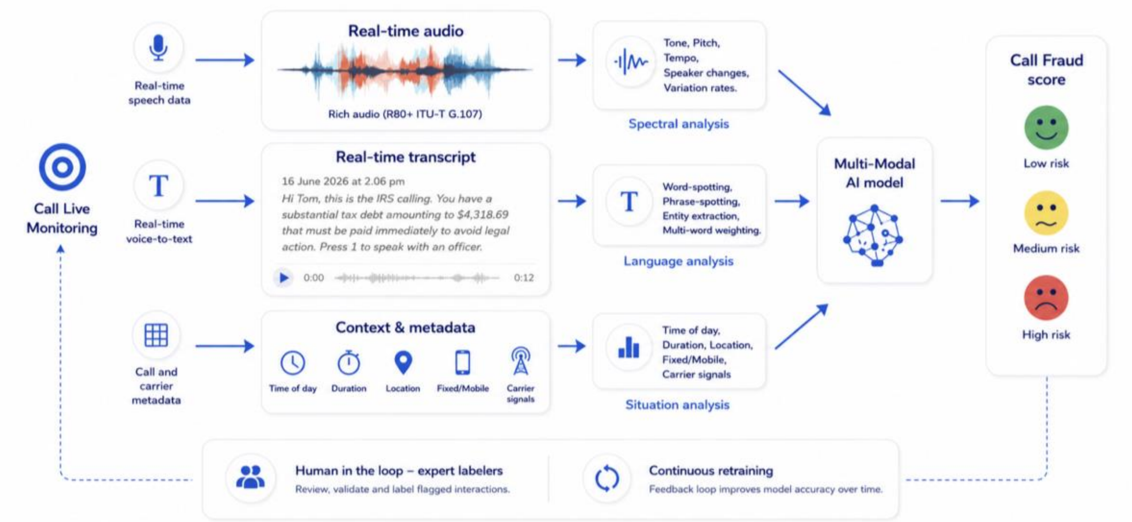
Approximately A$750,000 of identified customer receipts are expected during Q1 FY27. This includes existing works-in-progress, the fully invoiced Australian pilot value (excluding GST), the first UK progress invoice, which has been issued, and Spark New Zealand's regular annual platform fee and support payment. Receipt timing remains subject to normal customer payment processes.

Separately, Norwood recently completed successful OpenSpan Call Protect POCs with an APAC operator and a US Tier-1 operator. These technical and commercial proof points have progressed to follow-on discussions regarding potential commercial deployments with both parties.

The timing and outcome of these discussions remain subject to customer technical, commercial and internal approvals, and no production award should be inferred until definitive agreements are executed.

Product and Service Development Activities

- **CogVoice Voicemail**: Contracted enhancement and renewal work expanded delivery scope and extended the recurring carrier relationship through FY28.
- **OpenSpan**: The Australian Tier-1 pilot was completed successfully and on schedule, while delivery of the paid UK Tier-1 pilot continued. Successful Call Protect POCs provided further international commercial validation.



Inside Norwood's award-winning OpenSpan Call Protect service:
Multimodal AI combines live audio, language and network intelligence to assess call-fraud risk in real time – now validated through successful POCs with two international Tier-1 operators.

- **SME Assistant**: The completed Australian pilot evaluated small-business concierge, receptionist and workflow-orchestration use cases in a live carrier environment.

- **Agentic Applications**: The UK pilot is evaluating OpenSpan and selected CogVoice applications, including call handling, routing, provisioning, operational controls and reporting.
- **Cloud Delivery Architecture**: Continued deployment work using Azure Kubernetes Service and Microsoft Foundry, including delivery into a customer-controlled UK Azure environment.
- **Carrier-Grade Operations**: Continued work on scalability, resilience, onboarding, provisioning, operational controls and analytics.
- **Research & Development**: Continued targeted investment in OpenSpan and CogVoice alongside contracted delivery and productisation.

Financial Commentary

Norwood ended FY26 with record customer cash receipts and materially lower operating cash usage while continuing to invest in customer delivery, product engineering and commercialisation.

Customer receipts were A$584,000 for the June 2026 quarter and a record A$2.327 million for FY26, 18% above FY25's previous record of A$1.967 million and the first time annual receipts exceeded A$2 million. Net operating cash outflow was A$222,000 for the quarter and A$209,000 for FY26. The A$473,000 improvement from the A$682,000 FY25 outflow was driven by A$360,000 higher customer receipts, A$92,000 higher grant and tax-incentive receipts and A$23,000 lower aggregate operating payments, partly offset by A$2,000 lower interest receipts. Closing cash was approximately A$176,000.

Capital Management and Liquidity

Financing activities generated approximately A$355,000 of net cash inflow during the quarter, including A$349,507 of gross option-exercise proceeds and A$113,000 of borrowings, partially offset by A$108,000 of borrowing repayments. On 29 June 2026, the Company repaid A$100,000 of Plough Lane principal and A$8,264 of interest; the remaining A$180,000 loan was extended to 31 August 2026.

Announced Activity and Cash Conversion

The more than A$2.5 million of announced commercial value spans contracted work, estimated renewal revenue and two paid pilots – it is not June 2026-quarter revenue or cash receipts. Cash timing depends on delivery, acceptance, usage and foreign exchange movements.

FY27 Outlook

Near-term FY27 priorities are to complete the UK pilot, collect issued invoices and scheduled annual receipts, and potentially convert successful pilots and POCs into negotiated production deployments.

Business Activities Expenditure

Key June 2026-quarter cash outflows supporting R&D, product development and customer delivery included:

- Research & Development: A$268,000 in the quarter and A$1.068 million for FY26.
- Product manufacturing and operating costs: A$106,000 in the quarter and A$440,000 for FY26.
- Advertising and marketing: A$44,000 in the quarter and A$224,000 for FY26.
- Staff costs: A$178,000 in the quarter and A$836,000 for FY26.
- Administration and corporate costs: A$210,000 in the quarter and A$744,000 for FY26.

These outlays supported contracted Tier-1 delivery, platform development and commercialisation of Norwood's carrier-native Voice AI capabilities.

Quarterly Cash Flows

- Customer receipts in the June 2026 quarter were A$584,000, bringing FY26 customer receipts to a new Company record of A$2.327 million.
- Net operating cash outflow for the June 2026 quarter was A$222,000. FY26 net operating cash outflow was A$209,000, an improvement of A$473,000, or 69%, from FY25, driven principally by higher customer receipts and grant and tax-incentive receipts.
- At 30 June 2026, cash and cash equivalents were approximately A$176,000. The quarter included A$349,507 of gross option-exercise proceeds; A$108,264 of Plough Lane loan principal and interest was repaid, leaving A$180,000 outstanding.

Payments

The A$40,000 reported in Appendix 4C item 6.1 comprised salary and superannuation payments to the CEO and Managing Director.

This announcement is approved by the Board.

ENDS

For media inquiries, please contact:

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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.

Appendix 4C

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

Name of entity

NORWOOD SYSTEMS LIMITED (ASX: NOR)

ABN	Quarter ended (**Current quarter**)
15 062 959 540	**30 June 2026**

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	584	2,327
1.2	Payments for:		
	(a) research and development	(268)	(1,068)
	(b) product manufacturing and operating costs	(106)	(440)
	(c) advertising and marketing	(44)	(224)
	(d) leased assets	-	-
	(e) staff costs	(178)	(836)
	(f) administration and corporate costs	(210)	(744)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	(10)
1.6	Income taxes (paid) / refunded	-	-
1.7	Government grants and tax incentives	-	786
1.8	Other: (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	(222)	(209)
2.	**Cash flows from investing activities**		
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)	-	-
2.6	**Net cash from / (used in) investing activities**	-	-

Consolidated statement of cash flows		Current Quarter $A'000	Year to date (12 Months) $A'000
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	650
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	350	350
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(43)
3.5	Proceeds from borrowings	113	876
3.6	Repayment of borrowings	(108)	(1,549)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other: *Payments for the principal portion of lease liabilities*	-	(37)
3.10	**Net cash from / (used in) financing activities**	355	247
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	43	138
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(222)	(209)
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)	355	247
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	176	176

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	151	18
5.2	Call deposits	25	25
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)	176	43

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	40
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** 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.	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities *see 7.6(a),(b), and (c)*	539	539
7.2	Credit standby arrangements	-	-
7.3	Other (please specify): *Convertible Notes* *see 7.6(c)*	-	-
7.4	**Total financing facilities**	539	539

7.5	**Unused financing facilities available at quarter end**	-

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.

(a) ***Line of Credit Loan***

On 10 October 2025, the Company entered into a Line of Credit Loan facility on the following key terms:

- *Lender* Bizcap AU Pty Ltd (ABN 54 633 927 090)
- *Facility type* Revolving line of credit with multiple drawdowns permitted.
- *Availability period* 210 business days from commencement.
- *Repayment period* 70 business days following the availability period; no further drawdowns permitted.
- *Repayments* Each drawdown repaid over 140 payment dates (generally daily, five days per week).
- *Pricing* A 6% fee is added to each drawdown and the combined amount is then multiplied by the 1.35 factor rate.
- *Security* All-monies security over the present and after-acquired property of the borrower and guarantors.
- *Guarantees* Provided by Paul Frederick N Ostergaard and Norwood Systems Limited.
- *Default* Lender may accelerate the outstanding balance and enforce security following notice.

(b) ***Loan Agreement – Plough Lane Superannuation Pty Ltd***

On 25 February 2026, varied 23 April 2026, the Company entered into an unsecured loan agreement on the following key terms:

- *Lender* Plough Lane Superannuation Pty Ltd (ACN 066 098 977)
- *Facility type* Term loan of $280,000 varied, advanced in two tranches.
- *Draw dates* Tranche 1: $150,000 on 26 Feb 2026; Tranche 2: balance no later than 31 Mar 2026.
- *Purpose* Working capital of the Company.
- *Repayment date* Varied to 31 August 2026; early repayment permitted without penalty.
- *Interest rate* 9.75% per annum, accruing daily, payable on repayment.
- *Default interest* Additional 3% per annum from the repayment date if unpaid.
- *Establishment fee* 4% of the loan amount plus GST, invoiced at signing and payable within 2 business days.
- *Options* Varied to 4,250,000 unquoted options at $0.02 each, expiring 30 June 2028, subject to Listing Rule 7.1 capacity or shareholder approval. If the Options to be issued are not issued by 31 December 2026, then the Borrower must pay the Lender the market value of the Options as at 31 December 2026 plus GST as a borrowing fee.
- *Security* Unsecured.
- *Default* Lender may accelerate all outstanding monies following written notice of breach.

(c) ***R&D Facility Terms:***

- *Counterparty* — Innovation Structured Finance Co LLC facilitated by Radium Capital for period Jul to Mar 2026.
- *Amount* — 80% of the expected R&D tax offset arising from eligible R&D expenditure, with principal and interest repayable from the actual FY26 R&D tax refund when received.
- *Final Maturity Date* — 31 October 2026. Early repayment is permitted without penalty.
- *Interest Rate* — 17% p.a.; 20% p.a. during any lender-approved extension; 25% p.a. while in default. Settlement fee: 1.5%.
- *Security* — Secured against the FY26 R&D tax 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 R&D expenditures.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	**Net cash from / (used in) operating activities** (Item 1.9)	(222)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	176
8.3	Unused finance facilities available at quarter end (Item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	176
8.5	**Estimated quarters of funding available** (Item 8.4 divided by Item 8.1)	0.793

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:

   No. The A$222,000 June-quarter net operating cash outflow reflected the timing of customer receipts rather than increased cash expenditure. Payments across the five principal operating categories totalled approximately A$806,000, around 4% below the average of the first three quarters. Approximately A$750,000 of identified customer receipts are expected during the September 2026 quarter (Q1 FY27), including issued invoices for the completed Australian Tier-1 pilot and the first UK pilot milestone, together with Spark New Zealand's regular annual payment. These receipts are expected to materially improve operating cash flow, subject to normal customer payment processes.

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:

   Yes. The Company is actively managing expenditure and working capital having regard to the timing of the identified customer receipts. If those receipts are delayed or additional working capital is required, the Company proposes to pursue further cost controls and available funding alternatives, including debt or equity funding. Based on its demonstrated history of accessing debt and equity capital, the Board considers such alternatives capable of being pursued if required.

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:

   Yes. The Company expects to continue its operations and meet its business objectives based on expected collection of the identified customer receipts, ongoing expenditure and working-capital management, and its ability to pursue additional funding alternatives if required.

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

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.

Date: Monday, 20 July 2026

Authorised by: The Board

(Name of body or officer authorising release – see note 4)

Notes

1. 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.
2. 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.
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.
4. 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".
5. 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.