

ASX ANNOUNCEMENT

30 September 2026

Norwood refinances \$160k working capital loan

Norwood Systems Ltd (Norwood or the Company) (ASX: NOR) advises that, on 29 September 2026, it executed a binding term sheet with Plough Lane Superannuation Pty Ltd (Plough Lane) to refinance \$160,000 of its existing working capital loan into an unsecured convertible note. Plough Lane is controlled by former Norwood director and substantial shareholder Dr John Tarrant.

Norwood is required to repay \$20,000 of the existing \$180,000 principal by 30 September 2026. The remaining \$160,000 rolls into the note on 1 October 2026, with no further cash advance. Accrued interest and fees under the existing loan remain separately payable.

Key terms of the convertible note

Term and security. The note matures on 30 June 2027, subject to earlier conversion or enforcement. It is unsecured and has no guarantees. Norwood has no right to repay the note early.

Interest. Interest is 10% per annum, calculated daily and payable monthly in arrears. Default interest of 13% per annum applies to overdue note principal.

Fees and costs. An establishment fee of 3% (\$4,800) plus GST is payable within two business days of invoice on execution. Norwood also pays the documentation costs.

Conversion. Plough Lane may elect to convert all or part of the principal at 1.9 cents per share until 30 June 2027. Full conversion would result in 8,421,053 fully paid ordinary shares. Interest and fees are payable in cash and do not convert.

New attaching options. Plough Lane will receive 4,210,527 unquoted options, exercisable at 2.5 cents each and expiring on 31 March 2028, for no additional issue price. These are to be issued by 31 October 2026 on a fixed one-for-two basis relative to the shares available on full conversion. Conversion or repayment does not reduce the grant, and no further options arise on conversion.

Existing option entitlement and implementation

The new options are additional to Plough Lane's existing entitlement to 4,750,000 options exercisable at 2 cents and expiring on 30 June 2028. The term sheet requires those existing options to be issued by 31 October 2026. The existing obligation to pay their market value as at 31 December 2026 plus GST as a borrowing fee if they are not issued by that date remains in place. This does not create a duplicate entitlement.

Norwood will use its available ASX Listing Rule 7.1 capacity for the note and new options. The refinancing is not conditional on future AGM ratification. The parties will prepare a formal convertible note agreement, but the signed term sheet is binding and its operation does not depend on that further document.

Paul Ostergaard, Managing Director and CEO of Norwood Systems, commented:

"On behalf of the Board, I would like to thank Dr John Tarrant for his continued support of Norwood and his constructive approach in agreeing this refinancing. Extending the maturity of this funding provides the Company with additional flexibility as it progresses its commercial opportunities. I appreciate John's ongoing commitment and confidence in Norwood."

Authorised for release by CEO and Managing Director Paul Ostergaard.

ENDS

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About Norwood Systems

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