

31 July 2015

FOR IMMEDIATE RELEASE:

## **iWEBGATE JUNE QUARTER REPORT**

### **Highlights**

- iWebGate's technology successfully deployed on Telstra infrastructure
- Company significantly increased U.S. team
- Secured first revenue from the U.S. through an agreement with a leading University System to deploy the IWG platform
- Concluded agreement with a U.S. state wherein iWebGate technology serves as the primary platform for a government-to-government (G2G) network services delivery initiative
- Initiates expansion into European market, with engagement of experienced telecoms and technology expert Nik Haidar
- Company has gained significant traction within the U.S. Government sector and is in advanced negotiations with two prime defence contractors
- Company raised \$2.045 million at \$0.20 per share. Funds raised will be used to accelerate the opportunities within the telecoms sector
- Company enters H2 2015 well resourced and positioned to accelerate growth into new markets in the U.S. and Europe

iWebGate Limited (ASX:IWG) ("**iWebGate**"; "**Company**") is pleased to provide an update on the quarter ended 30 June 2015.

### **Operational**

During the quarter the Company signed a landmark agreement with Telstra to enable iWebGate's technology to be automatically deployed over Telstra's infrastructure, allowing iWebGate to provide solutions such as remote desktop access, secure proxies and Virtual Private Network (VPN) as a service from Telstra's cloud.

In May the Company completed its integration of 18 former Blue River I.T. personnel in the U.S. Blue River I.T. is a full service solutions provider specialising in cloud and on-premise data center infrastructures. The successful transition significantly increases iWebGate's U.S. operations with the addition of experienced sales, engineering and marketing professionals.

Importantly, iWebGate secured two important contracts in the U.S. during the period. The first contract is with a leading North American University System to deploy the IWG platform into their existing infrastructure. The strategy is to use the platform to support the Administration, then faculty, the student body and alumni. The contract brought the Company its first revenues from the U.S. and is expected to generate further engagements with similar institutions in the U.S.

The second contract is with a US State Government, wherein iWebGate technology will serve as the primary platform for a government-to-government (G2G) network services delivery initiative.

The Company also announced its intentions to establish operations in Europe. Europe has been identified as a significant opportunity and through channel partners the Company is targeting growth within the region. iWebGate appointed Nik Haidar to oversee the launch and development of the Company's European division, which will be focused on opportunities within the telecommunications industry. Mr Haidar has over 15 years' management experience in the EMEA telecoms and technology sector, with Virgin Media, pan-European provider Tiscali and Telstra Europe. He has also held management roles with global information services provider and FTSE100 company Experian.

### **Corporate**

During the quarter, the Company announced it had raised \$2.045 million at \$0.20 per share. The funds raised will be used to accelerate the opportunities the Company has within the telecommunications sector and to further expand iWebGate's business through the commercialisation of its products in Australia and internationally.

### **Cash Position**

The Company enters Q3 2015 with cash at bank of \$1.742m.

### **Outlook**

The Company has gained significant traction within the Government sector in the U.S. and is in advanced negotiations with two prime defence contractors for the provision of its services. These agreements are expected to yield significant revenues and further opportunities within the Government sector.

Also, the Company significantly accelerated its technical development efforts, enabling iWebGate to fast-track its U.S. "go to market" telecom ambitions. The Company also prepared two additional patent applications, bringing the number of expected filings to four in Q4 2015.

Following the completion of the June capital raising the Company is well positioned to achieve strong growth in Q3 and Q4 this year and is focused on furthering its discussions in the U.S. and executing additional agreements within existing markets.

- **Ends** -

### **Contact Information**

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## About iWebGate

**iWebGate Limited** is a technology company pioneering the Virtualization of Network Services. This new abstraction layer provides operational simplicity and new capabilities across all networks. iWebGate's segregation technology takes best practice DMZ Security and Cyber Kill Chain Processes and incorporates a "client delivery" model that enables secure provisioning to every segment of the market. Their software suite abstracts the network layer from all existing networks, allowing for internal stratification and endpoint security for all services and devices. iWebGate features a patented network linking technology, providing next generation VPN connectivity. All network services can be accessed via a secure, encrypted mobile container built for virtually every operating system and for any device: phone, tablet or laptop.

For more information, please visit: <http://www.iwebgate.com/>

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

**iWebGate Limited**

ABN

55 141 509 426

Quarter ended ("current quarter")

30 June 2015

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	86	294
1.2 Payments for		
(a) staff costs	(572)	(1,086)
(b) sales, advertising and marketing	(241)	(286)
(c) research and development	(959)	(1,826)
(d) leased assets	-	-
(e) other working capital	(201)	(1,138)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	45
1.5 Interest and other costs of finance paid	(18)	(39)
1.6 Income taxes paid	-	-
1.7 Others	-	-
<b>Net operating cash flows</b>	<b>(1,866)</b>	<b>(4,204)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,866)	(4,204)
<b>1.9 Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other:		
1. Loan to iWebgate Technology Limited at acquisition	-	(1,000)
2. Cash acquired from the acquisition of iWebgate Technology Limited	-	56
3. Loan to other entity	-	(275)
<b>Net investing cash flows</b>	-	(1,219)
<b>1.14 Total operating and investing cash flows</b>	(1,866)	(5,423)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	2,045	8,046
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	(857)
1.19 Dividends paid	-	-
1.20 Other: Capital raising costs	(126)	(535)
<b>Net financing cash flows</b>	1,919	6,654
<b>Net increase (decrease) in cash held</b>	53	1,231
1.21 Cash at beginning of quarter/year to date	1,689	511
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	1,742	1,742

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	146
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

<ul style="list-style-type: none"> <li>1. Executive director salaries</li> <li>2. Director fees</li> <li>3. Accounting, company secretarial and office services</li> </ul> <p>Includes amounts paid to entities associated with the Directors'.</p>
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**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

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**Reconciliation of cash**

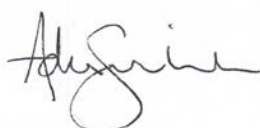
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,742	1,689
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>1,742</b>	<b>1,689</b>

**Acquisitions and disposals of business entities**

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	-	-
5.2	Place of incorporation or registration	-	-
5.3	Consideration for acquisition or disposal	-	-
5.4	Total net assets	-	-
5.5	Nature of business	-	-

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:  
 (Director)

Date: 31 July 2015

Print name: Adam Sierakowski

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## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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