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iWebGate Limited  
ACN: 141 509 426  
Level 24,  
44 St George's Terrace  
Perth, WA 6000  
ASX: IWG

## **iWebGate Gaining Traction Across APAC Region**

### **Highlights**

- Rapid growth momentum in partner network and customer acquisitions to continue into 2016, with revenue and user uplift expected in Q3
- Significant product enhancements plus substantial market validation (including independent security testing) has accelerated IWG user adoption rates
- Direct and channel partner networks have been established; significant number of partners have been onboarded and trained:
  - Over 40 Telstra partners
  - Over 20 non-Telstra partners
- Subscription revenues generated from a growing customer base as end-user numbers exceed 800,000
- Advanced discussions and product evaluations with large potential customers
- Landmark contract signed; technology installed in WA Government Agency to exceed the Office of Auditor General's expectations and requirements
- Other local government agencies currently evaluating IWG product suite
- National Sales team established to drive customer acquisitions and service growing partner network

iWebGate Limited ("iWebGate"; "IWG") is pleased to provide an update regarding its Asia Pacific (APAC) operations.

APAC is a key target region for iWebGate, and it is gaining strong traction from Telstra and other distribution partners. Rapid end user and customer growth is expected in 2016. IWG is especially optimistic, as it will soon begin to roll out its complimentary mobility platform.

### **Telstra and non-Telstra partner network sales pipeline**

IWG's decision to evolve to an indirect business model has built a substantial Telstra and non-Telstra partner network currently positioned to begin delivery of IWG's products to customers, providing further validation of IWG offerings.

Since deployment on the Telstra App Marketplace in August 2015, IWG has engaged over 40 Telstra partners that will increase their commercial activities of the IWG Workspace Suite throughout 2016. IWG is actively engaging 5 to 10 new partners every month. Through these resellers, IWG has increased its potential client base and is marketing to hundreds of thousands of Telstra customers at small, medium large enterprise levels across Australia.

iWebGate has also delivered solid growth to its non-Telstra partner network, with over 20 partners currently engaged to resell IWG products. Some of these partners have thousands of associates under them. This network is targeting the substantial small to medium enterprise market across the Asia Pacific region. This partner network is expected to grow significantly as IWG includes mobility centric service providers in the latter portion of 2016.

In addition to current channel engagements, IWG's products recently received the highest security rating from an independent penetration testing company. As partner training nears completion, IWG is poised to launch wider sales initiatives.

Based on these current activities with Telstra and non-Telstra partners referenced in this section, IWG has set targets of 50,000 users adopting a new productivity application in the next twelve months with a projected monthly per-user price of \$8.00 net to IWG. Other secure connectivity solutions have been developed and are ready for release, with the forecast number of networks exceeding 2,000 enterprises in the next year at a minimum of \$100.00 per month net to IWG. Preliminary estimates of revenue attributable to the “soon to be released” mobility functionality, further substantiates projections and growth metrics. Additional partners in the APAC, US and EMEA regions, plus the activation of additional security and productivity applications, are forecast to compound these projections in the next twelve months.

### **Operational infrastructure delivering stellar results**

To support its rapidly growing partner and customer network, IWG has grown its expert sales team for a national reach across Australia and into the wider Asia Pacific region. Working alongside the expanded sales team and with technical experts, IWG has also set up a new customer strategies team, which provides help desk, training and other support to IWG’s Telstra and non-Telstra partners. With this infrastructure in place, IWG is confident it will continue to acquire additional partners, customers and end users.

### **Technology validation through customer growth and current revenue generation**

Each year, the Office of the Auditor General releases an Information Systems Audit Report identifying a range of common issues that can seriously affect the operations of government if not addressed. Historically, West Australian government agencies have not performed well in the report. In December 2015, IWG signed a contract with a well-known West Australian State Government Agency to implement a penetration tested and security hardened network out front of their proprietary systems to far exceed the Auditor General’s expectations and requirements. IWG’s cyber security technology has already been installed in the authority’s facilities. IWG has commenced discussions and evaluation trials with other local government agencies as a result.

IWG has an active customer base in the Asia Pacific region that exceeds 800,000 end-users of its virtual services platform. IWG generates product revenue from these end users based on a previous licensing model. IWG management is in the process of converting these existing users onto the new revenue platform. Rapid adoption demonstrates the ability of IWG and its partners to amass vast amounts of end-users demanding innovative security or productivity solutions.

The new customer pipeline for IWG’s product suite continues to grow and remains strong, with large potential customers already in advanced discussions or commencing product evaluations. This rapid customer growth will continue into 2016, with revenue uplift expected. Upon release of the enterprise mobility suite, revenue generation is expected to increase significantly within the next twelve months.

### **Commenting on IWG’s APAC progress, Mark Harrell, Managing Director APAC of iWebGate, said:**

*“We are greatly encouraged with the rapid and substantial progress the enhanced APAC team has delivered in the few months since it started building its partner network. Through our Telstra partner network, we have access to hundreds of thousands of Telstra customers at small, medium and enterprise-level organisations across Australia and we are excited about the growing number of new customers already signing up to our product suite through this channel and other partners. With further potential customers already in advanced discussions and product evaluations, strong customer momentum will continue into the new year, delivering solid revenue growth in 2016. As we roll out our enterprise mobility platform, every network server, device, application and user becomes an additional touch point presenting monthly revenue capacity on a per user, device, server or transaction basis in our quest to significantly secure and simplify networks.”*

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**Media**

Fran Foo, Director  
Media & Capital Partners  
p: +61 416 302 719  
e: fran.foo@mcpartners.com.au

**Investors**

Mark Harrell, Managing Director  
iWebGate  
P+61 8 9288 0623

**About iWebGate**

iWebGate, Limited (ASX: IWG) is a technology company providing network solutions to organizations of all sizes. iWebGate's software creates a new network communication environment out front of firewalls. To compliment this innovation, iWebGate created interlinking technology ensuring trusted computer devices, applications and users connect through this best practice design.

For the first time, iWebGate's software is enabling large and influential partners to deliver best of breed security and a wide range of mobility solutions as-a-Service to their customers. Our patented and multi-award winning software is currently available through the Telstra Marketplace with plans to rapidly expand offerings in the US and Europe.

iWebGate is well positioned to help many enterprises and government agencies network better. The worldwide cyber security and mobility market continues to grow rapidly and is expected to increase from US\$75 billion in 2015 to US\$170 billion by 2020.