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FOR IMMEDIATE RELEASE:

iWebGate Limited
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ASX: IWG

IWEBGATE SECURES FUNDING TO ACCELERATE CUSTOMER GROWTH

Highlights

- iWebGate has raised up to US\$8.575m via an Convertible Note and Equity Funding Facility with an entity managed by the Lind Partners, LLC, an existing investor in the Company
- Funds will be used to accelerate growth in core markets with Government, enterprise and small business customers
- AUD\$1m of the proceeds to be used to refinance its existing loan facility
- The Company is well funded to accelerate and execute its growth strategy for its cyber security platform technology products and rapidly expand its relationship with Telstra.
- The Company continues to work with a number of strategic partners to fully finance the Company and hopes to have those discussions finalised early in the second half of 2016

iWebGate Limited (ASX: IWG) ("**iWebGate**" or the "**Company**") is pleased to announce it has entered into an agreement with an entity managed by The Lind Partners, LLC, for a total funding commitment of up to US\$8.575 million.

The Lind Partners, LLC is a New York-based asset management company that selectively invests in public companies across a broad range of industries and economic environments.

The Convertible Note Agreement provides iWebGate immediate access to funds through a flexible convertible instrument, and the ability to secure additional funding in stages.

The structure of the investment allows iWebGate to issue shares at prices that are linked to prices prevailing at the time, potentially at premiums to the present share price, minimising dilution for existing shareholders while meeting interim financing needs as Company development milestones are approached.

The key terms of the Equity Funding Facility are:

- iWebGate will receive US1,675,000 upon execution of the agreement
- The Equity Funding Facility has a term of 24 months and will be funded monthly in the amount of US\$75,000 per month and, upon mutual consent, between the Company and the investor may increase the amount of each tranche up to US\$300,000 per month.
- The investor will fund each monthly tranche at the beginning of the month and the Company will issue the Shares to the investor at the end of the month (each issuance date, an "**Issuance Date**") at 90% of the average of three VWAPs, chosen by investor, during the specified period before the Issuance Date. The Company will be able to terminate the agreement at no cost, at any time.
- In addition, a total of 8,500,000 unlisted options exercisable for 36 months have been granted to the investor with an exercise price equal to 120% of the average of the daily VWAPs during the 20 trading days before the date of execution of the agreement. Further, the Company will issue 10,000,000

shares to the investor, which will be credited or returned to the Company once the Company has met all of its obligations.

- The Agreement contains provisions requiring approval of shareholders if required under Listing Rule 7.1. Shareholder approval is not required for the initial funding to proceed.

Commenting on the Financing, iWebGate Executive Chairman, James Tsiolis, stated:

"It is very encouraging to have received such strong and continued support from an existing investor, through this Financing. Securing this funding substantially assists the Company to accelerate its growth strategy across its core geographic markets to access further Government, enterprise and small business customers. The team at Lind has a long history of successful investments in technology, including participation in an early debt financing for Datapipe, angel round investments in Kickstarter and Axioma Inc., and more recently in Australia with its investments in Freelancers' IPO, Digital 4ge, Reffind and Visual Amplifiers."

Senior Advisor to The Lind Partners, John Hancock, commented:

"Lind Partners is committed to providing funding solutions for innovative Australian companies. Foreign capital drove Australia's mineral development in the 1950's and can help create the modern, dynamic 21st century economy Australia needs. Lind is pleased to provide this funding to iWebGate, a pioneer of a new form of virtualisation technology with global commercialisation opportunities."

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Contact Information

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About iWebGate

iWebGate Limited (ASX: IWG) is a technology company providing network solutions to organisations of all sizes. iWebGate's software creates a new network communication environment out front of firewalls, analogous to a secure and collaborative reception area for all networks. To compliment this innovation, we have also created interlinking technology commanding 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. 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.

About The Lind Partners

The Lind Partners is a New York-based asset management firm, which manages the Australian Special Opportunity Fund, LP and the Canadian Special Opportunity Fund, LP (together “Lind”). Lind funds focus on small- and mid-cap publicly traded companies with an emphasis on Australia, the United Kingdom and Canada, mainly in biotech, mining, oil & gas, technology and clean-tech. Since 2009, the Lind team has completed more than 50 direct investments for more than \$500 million of transaction value as well as participating in numerous brokered placements, and has earned a reputation as a creative, flexible and supportive capital partner to investee companies