

30 October 2015

FOR IMMEDIATE RELEASE:

QUARTERLY REVIEW

Highlights

- Sales to Telstra customers commenced through AppDirect, underpinned by enlarged sales team across Australia
- Strong progress in the US, including contract scope expansion with government-to-government customer and advancement to the next phase with its leading North American University client
- Multiple pilot projects ongoing with pan-European service providers and major telecommunications organisations
- Further technological validation, with software solution awarded the highest possible NIST Compliance, Security Compliance and Cyber Readiness Rating
- Cash balance of \$181,000 plus successful capital raise of \$3 million completed subsequent to the period end, positioning iWebGate strongly for international expansion

iWebGate Limited (ASX:IWG) ("**iWebGate**"; "**Company**") has today released its Appendix 4C Report for the three-month period to 30 September 2015 and is pleased to provide a review of the progress made during Q1 FY16.

Technology

The Company continued its aggressive development efforts and has delivered on its promise to deliver the world's most secure enterprise-level communications capabilities. In this next quarter, iWebGate is preparing to launch mobility solutions for every device on almost all major operating systems. This enables these devices to access and leverage the iWebGate Virtual Services Platform to securely and rapidly initiate network service provisioning from proprietary networks.

Operational

Sales to Telstra customers commence

In Australia, iWebGate successfully launched and commenced sales of its Workspace Suite of network security services to Telstra customers under a landmark agreement with US-based AppDirect, signed during the period. AppDirect, a leading global online commerce platform, hosts Telstra's online Apps marketplace and through iWebGate's revenue share agreement with AppDirect, the Company has the opportunity to reach hundreds of thousands of Telstra customers at small, medium and enterprise-level organisations throughout Australia.

iWebGate experienced a strong volume of positive interest in Workspace Suite across Australia from Telstra's network partners, who "on-sell" the solution to hundreds of thousands of customers. In response to this volume of interest, iWebGate grew its sales force Australia-wide to support the uptake of the Workspace Suite product. The enlarged sales team continues to provide technical support to underpin sales of the services.

US expansion continues

iWebGate's US subsidiary, iWebGate Corp, also made strong progress during the quarter. As the platform for an existing government-to-government initiative with a large US state government, iWebGate Corp successfully expanded the scope of network services and clients that will be provisioned from this effort. It also expanded its relationship with a major provider of IT security services to the US Federal Government, assisting in the tender process for three major Government agency projects. These tenders are ongoing and an outcome for each project is expected early to mid 2016. During the last fiscal quarter, iWebGate also progressed to the next phase of its contract to provide its network services to a leading North American University, a core clientele targeted by the US group. This contract opens up the opportunity for iWebGate to provide similar services to the world's most prestigious educational institutions and service sectors.

The US subsidiary continued its efforts to obtain final certifications with the region's largest telecommunications company and the leading hybrid cloud provider. It has also secured "proof of concept" pilots beginning in November to launch enterprise solutions for Windows and Android devices.

Pilot projects launched in Europe

In Europe, iWebGate launched a number of pilot projects with pan-European service providers and major telecommunications organisations. These projects include a comprehensive product evaluation in the cybersecurity test labs of a global telecommunications company and a proof-of-concept deployment of iWebGate world-class security software technology with the view to becoming the core security framework for a pan-European service provider's software application platform.

Further strong technological validation

During the period, iWebGate received further technological validation for its software solution. At publication, iWebGate solutions had exceeded US security standards in a substantially completed network penetration test and was awarded the highest possible NIST Compliance Rating in an independent evaluation established by the US National Institute of Standards and Technology, which is responsible for accelerating the development and deployment of cybersecurity systems that are reliable, usable, interoperable, and secure in the US. The Company also received a third independent evaluation, indicating that the software provides an organization with the highest level of cybersecurity readiness and capacity to identify, protect, detect, respond and recover from cybersecurity events.

Cash Position

The Company enters Q2 FY2016 with cash at bank of \$181,000. Subsequent to the end of the period, iWebGate successfully raised \$3m to support sales of its network security services to Telstra customers across Australia and accelerate international growth.

Outlook

iWebGate's Workspace Suite has generated strong positive interest across Australia through Telstra's partner network. The Company's newly expanded technical support and sales team now in place is expected to support and encourage further demand and increases the Company's capacity to convert the ongoing interest to product sales of its WorkSpace Suite.

The Company looks forward to updating shareholders on the outcomes of the three major Government agency tender projects in the US by the end of the year. The Company also expects to be able to provide an update on its discussions with a leading American global information technology company for two proof of concept deployments for its hybrid cloud and enterprise mobility solutions in the next quarter.

iWebGate is also excited about the opportunities ahead in Europe, in particular, progressing its positive discussions with multiple pan-European service providers and major telecommunications organisations.

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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.

For more information, please visit: www.iwebgate.com