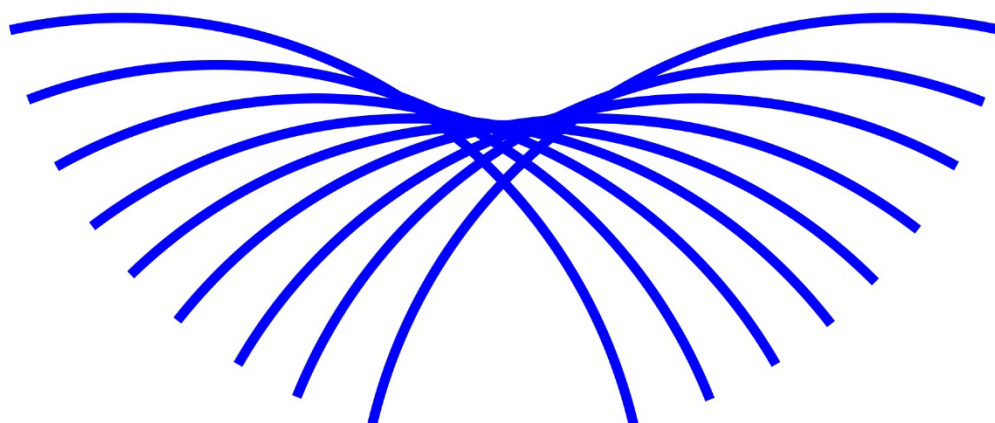


2020

Quarterly Activities Report



WHITEHAWK

Quarterly Activities Report for the Period Ended
December 31, 2020

WHITEHAWK LIMITED (ASX: WHK OR "THE COMPANY"), THE FIRST GLOBAL ONLINE CYBER SECURITY EXCHANGE ENABLING BUSINESSES OF ALL SIZES TO TAKE SMART ACTION AGAINST CYBERCRIME, IS PLEASED TO PROVIDE AN UPDATE ON ITS PROGRESS FOR THE FOURTH QUARTER 2020.

HIGHLIGHTS

- Invoiced US\$2.1M in 2020 more than doubling invoiced US\$1M in 2019.
- Collected US\$953K relating to sales receipt from customers.
- Invoicing for the 4th quarter 2020 is US\$273K.
- US\$181K in receivables will be collected in January 2021.
- Executing on Phase 2 of current contract with U.S. Department of Homeland Security (DHS) CISA QSMO Cybersecurity Marketplace, as sub-contractor to Guidehouse (formerly PWC Federal), for \$1.5 to \$1.8M USD Fiscal Year 2021, starting October 2021.
- Executing on first Prime U.S. Federal Government CIO Cyber Risk Radar contract for base year and 4 option years, not to exceed \$1.18M USD per year.
- Executing on next phase of Cyber Risk Program \$400K USD contract via a Global Consulting Firm in direct support of a Global Manufacturer, including: advanced risk validation by Red-Team, prioritization and mapping to Company risk priorities and how to best mitigate top risks in 2021 via innovative best practices and solution options.
- Executing on and will be responding to new Task Orders, expected in 2021 first quarter, on second and third U.S. Federal Government Department CIO Contracts.
- Signed partnership agreement with a Global Insurance Group, with intent to tailor WhiteHawk online platform as a service for business clients has been delayed to March 2021.
- Engagement continues on two Proofs of Value (POV), one in the U.S. Financial Sector and one with a U.S. Government Agency.
- Sontiq/WhiteHawk Small Business Suite offerings to two U.S. Financial Institutions with 5,000-10,000 current clients, as an annual SaaS contract, are under review by each institution's new client services and risk teams respectively.
- New near term partnered opportunities with General Dynamics Information Technology (GDIT) and Red River.
- Developed, vetted and executing on new 2021 Strategy, to include growing Sales Pipeline across U.S. Federal Government, Defense Industrial Base and Industry, with broadened Go to Market Strategies in the U.S. and now including the Australian market.



- Underwent the due diligence to become an ESG (Environment, Social, Governance) Registered company, a new standard in measuring the sustainability and ethical impact that a company makes.
- **COVID-19 Impact Update:**
 - No delays in product line development, execution and client delivery
 - Sales engagement and virtual demo's underway continuously
 - Able to hire top talent to meet current contract requirements and work and collaborate virtually.
- Continue to experience contract scoping and completion delays of 60 to 90 days, with government and industry procurement teams. Welcoming the 2021 U.S. Administration's renewed focus on Cyber Risk and Resilience and the US market heightened awareness following on the SolarWinds hack, affecting both US Federal Government and major corporates.
- WhiteHawk finishes the 4th quarter with a cash position of US\$2.4M and no debt.

UPDATES FROM THE QUARTER

Prime developer on contract with U.S. Federal Department of Homeland Security (DHS) Cybersecurity and Infrastructure Security Agency (CISA) QSMO Cybersecurity Marketplace

Contract Summary

- WhiteHawk is a subcontractor on a contract won by the prime contractor, Guidehouse: The contract is for 7 years (1 year with 6 option years).
- Executing Phase 2 \$1.5M - \$1.8M USD for Fiscal Year 2021 (October 2020-2021).

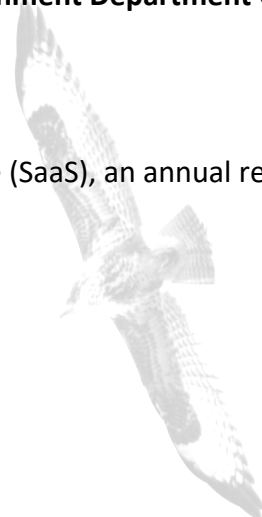
Contract Progress during the quarter

- Aligning QSMO Cybersecurity online Marketplace requirements across all Department stakeholders, developed and vetting Phase 1 wireframes, features underlying logic for matching to products and services.

Prime Cyber Risk Radar Contract in support of U.S. Federal Government Department Chief Information Security Officer (CISO)

Contract Summary

- WhiteHawk providing online platform Software as a Service (SaaS), an annual recurring subscription, with training and technical reach-back.



- Automated Business Risk Reports provided twice annually and Cyber Risk Scorecards being provided quarterly via an integrated and interactive vendor risk management dashboard.
- This contract is the result of a Proof of Value that was implemented early in 2019.

Progress for the Quarter

- Business and Cyber Risk Continuous Monitoring, Alerting and Tracking ongoing.
- Quarterly Cyber Risk Scorecards were mapped to the Vendor Risk Management SaaS Dashboard.
- Tailored training sessions on the platform for new team being planned for 2021.
- Strategy session for 2021 held and actions being worked.

Cyber Risk Program contract with major U.S. Manufacturer via Global Consulting Partner

Contract Summary

- Cyber Risk Program is a “Hacker View” of prioritized cyber risks and mitigation strategies tailored and delivered to the Chief Information Officer (CIO), Executive Team, Chief Executive Officer (CEO), and Board of Directors (BoD).
- This independent expert risk assessment subscription for 7 Business Groups includes: Cyber Risk Continuous Monitoring and Prioritization; Quarterly Executive Level Scorecards and Reporting; and Bi-Annual Risk Validation by Real-Time Red Team Assessment and mapping to prioritized risk mitigation approaches and solution options.

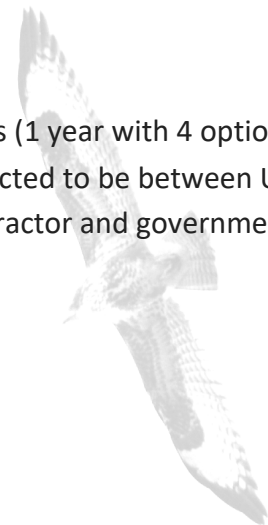
Progress for the Quarter

- Ongoing Cyber Risk Monitoring, Scorecards, phase 2 real-time red team risk validation assessment, risk prioritization, and mapping to best practices and solution options.
- Executive level findings were presented to the December BoD session.
- Mapping of findings to in-house mitigation strategies now cross-walked to innovative alternative strategies, to advance, automate and streamline current processes.
- Submission of priorities and potential deliverables for next contract phase provided.

2nd Contract with U.S. Federal Government Department CIO:

Contract Summary

- WhiteHawk's Cyber Risk Policy subcontract length is 5 years (1 year with 4 option years).
- Second full year (12 Month) revenue to WhiteHawk is expected to be between US\$300K to US\$500K and is subject to refinement by the prime contractor and government customer.



Contract Progress during the quarter

Cloud Architecture and Assurance Policy and strategy projects developed and executed.

Cashflows

- Revenues remain consistent, with the Company recording revenue in each of the last 12 months. Fourth quarter 2020 invoicing of US\$273K is a mixture of government contracts and Cyber Risk Radar SaaS subscription. 2020 invoiced for the year is US\$2.1M up from US\$1M for 2019.
- The company will collect US\$181K in receivables in January 2021 from December 2020 invoicing of government contracts.
- Payment made to related parties include payments made for the services provided by Key Management Personnel including Directors of the Company.

OUTLOOK

2021 High Level Objectives:

- 1) During COVID, grow pipeline of near-term opportunities across U.S. Federal Government, Defense Industrial Base, and Manufacturing for Cyber Risk Radar, Cyber Risk Program and Platform as a Service (PaaS), by putting new partnerships in place to respond to Large Defense Contractor current contract vehicles with quick turn multi-million task orders being responded to throughout 2021.
- 2) Ensure sustained, scalable annual subscription growth on the Financial/Insurance Sectors and Internet Service Providers (ISP)/Managed Service Providers (MSP) for the Sontiq/WhiteHawk Business Suite embedded annual subscription across all business clients. Thereby providing continuous online and virtual Digital Age Risk services to tens of thousands of businesses globally. <https://www.whitehawk.com/business-risk-suite>
- 3) Hone and execute Go To Market (GTM) campaign with all Partner Sales Teams across current pipeline of 40 ongoing engagements to 10 near term contract proposals in 2021.
- 4) GTM to fully leverage new website www.whitehawk.com, with advanced client portal, updated online marketing materials and video demo's, Enterprise Partner splash pages, renewed SEO branding, PR and thought leadership virtual and online engagements.



The Appendix 4C Quarterly Activities Report for the Period Ended December 31, 2020 follows.

DISCLOSURE STATEMENT

The Quarterly Activities Report is given in summary form and does not purport to be complete. The Quarterly Activities Report including financial information, should not be considered as a financial projection, advice or a recommendation to any particular or potential investors in relation to subscribing for securities in WhiteHawk. Before acting on any information readers should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, readers should seek independent financial advice. All securities involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk. The Quarterly Activities Report may include statements regarding the Company's intent, belief or current expectations with respect to our businesses and operations, market conditions, revenues, market penetration, and results of operations. Readers are cautioned not to place undue reliance on these statements. WhiteHawk does not undertake any obligation to publicly release the result of any revisions to these statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of the Quarterly Activities Report, actual results may vary in a materially positive or negative manner and are subject to uncertainty and contingencies outside WhiteHawk's control.



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

WhiteHawk Limited

ABN

97 620 459 823

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	953	2,148
1.2 Payments for		
(a) research and development	(173)	(582)
(b) product manufacturing and operating costs	(310)	(975)
(c) advertising and marketing	(5)	(55)
(d) leased assets	(21)	(68)
(e) staff costs	(292)	(1,037)
(f) administration and corporate costs	(168)	(559)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	4	14
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(12)	(1,112)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	185	366
2.4 Dividends received (see note 3)	-	-
2.5 Other #	93	119
2.6 Net cash from / (used in) investing activities	278	485

As announced to ASX on 1 July 2020, other income received under the Equity Swap Agreement relates to difference between benchmark price and market price referred to in the Agreement.

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	1,161	1,298
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	489
3.6 Repayment of borrowings	-	(289)
3.7 Transaction costs related to loans and borrowings	(10)	(23)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,151	1,475

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	926	1,527
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(12)	(1,112)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	278	485

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,151	1,475
4.5	Effect of movement in exchange rates on cash held	25	(7)
4.6	Cash and cash equivalents at end of period	2,368	2,368

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	920	316
5.2	Call deposits	1,448	610
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,368	926

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	181
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	449	-
7.4 Total financing facilities	449	-
7.5 Unused financing facilities available at quarter end		449
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Other facilities include receivable under Share Purchase Agreement and Equity Swap Agreement (as announced to ASX on 30 January 2020 and 1 July 2020) in monthly instalments.		
Subsequent to the quarter end the US\$230k Payroll Protection Plan Loan (including interest and charges) has been forgiven and no amounts will be payable.		

8. Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(12)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,368
8.3 Unused finance facilities available at quarter end (item 7.5)	449
8.4 Total available funding (item 8.2 + item 8.3)	2,817
# does not include A\$982,396 of Option Exercise funds received subsequent to quarter end.	
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	234.75
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 January 2021
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Authorised by: Terry Roberts (Chief Executive Officer and Executive Director)
.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.