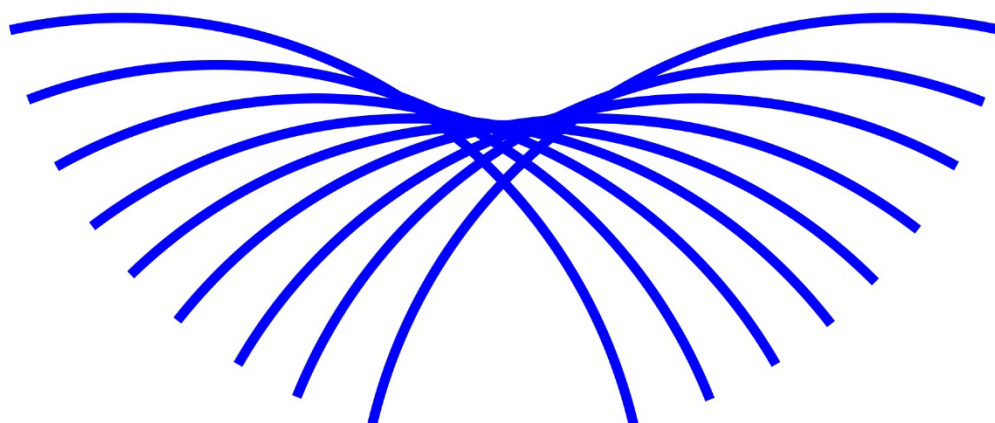


2021

Quarterly Activities Report



WHITEHAWK

Quarterly Activities Report for the Period Ended

March 31, 2021

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 FIRST QUARTER 2021.

HIGHLIGHTS

- Invoiced US\$442K in 2021 up 26% over 1 QTR 2020.
- Collected US\$340K relating to sales receipt from customers.
- US\$266K in receivables will be collected in April 2021.
- WhiteHawk finishes the 1st quarter of 2021 with a cash position of US\$2M and no debt.
- Executing 2nd YR of 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.
- Completing first year as Prime Contractor on U.S. Federal Government CIO Cyber Risk Radar contract for base year and 4 option years, not to exceed \$1.18M USD annually.
- Cyber Risk Program contract renewed for 2nd YR, Phase 1 for \$100K via a Global Consulting Firm in direct support of a Global Manufacturer. Phase 2 being scoped for a Cyber Risk Radar across an initial 1,000 suppliers in 2021.
- Responding to 2 Cyber Risk Request for Proposal (RFP) via global consulting group for 2021, one RFP for a Global Sports event and one RFP for a U.S. State Organization.
- Two new Cyber Risk Solution SaaS/PaaS opportunities with a second global consulting firm.
- New Cyber Risk Platform as a Service (PaaS) opportunity discussions with: Top 10 Defense Industrial Base Company for their suppliers; Global Business Credit Risk Manager for their business clients; and Insurance Group for their business clients.
- Starting in May 2021, our Cyber Risk cloud based product lines will be sold on Amazon Web Services (AWS) commercial marketplace Partner Network (APN), allowing WhiteHawk marketing and sales to both industry and government clients without an additional contract vehicle.
- Three Task Orders, expected in 2021 first quarter, now delayed by the new US Administration to 4th QTR 2021 from current U.S. Federal Government Department CIO Contracts.
- Signed partnership agreement with a Global Insurance Group at the end of 2020, with intent to tailor Cyber Risk PaaS for business clients has been delayed due to that company's internal reorganization.

- **Potential Sontiq/WhiteHawk Business Suite offerings to two U.S. Financial Institutions with 5,000-10,000 current clients, as an annual SaaS contract, await finalisation due to a bank merger in one case and financial firm internal reorganization in the second case.**
- **Executing in earnest 2021 Strategy, to include Cyber Risk Program Challenge, Automated Path to CMMC and Cyber Risk PaaS, via PR virtual events and social media campaigns in the U.S. and Australia.**

UPDATES FROM THE QUARTER

Second Year as 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

- Working with new US Federal Administration team members to align QSMO Cybersecurity online Marketplace requirements across all US Federal Department stakeholders and transition work to US Federal Government owned cloud environment.
- Some delays have resulted due to the transition to the new US Federal Government administration under President Biden. These delays are considered to be temporary as President Biden reorganizes US Federal Government Department cyber security with a renewed emphasis on Cyber Risk and Resilience based policy, guidance, oversight and funding

Second year Cyber Risk Program contract with major U.S. Manufacturer via Global Consulting Partner and new Task Order for Cyber Risk Radar

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 mapping to prioritized risk mitigation approaches and solution options.

- Client added deep assessment tasks.

Progress for the Quarter

- New RFP for Cyber Risk Radar being scoped for an initial 1,000 suppliers.
- Asked to provide a deeper assessment of the CISO's current team challenges, processes, and optimization.
- Ongoing Cyber Risk Monitoring, Scorecards, risk prioritization, and mapping to best practices and solution options.
- Executive level findings were presented to the March Board session.

Prime Cyber Risk Radar Contract in support of U.S. Federal Government Department Chief Information Security Officer (CISO), with additional 4 YR options

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.

Progress for the Quarter

- Task Order issued for additional tailoring and analytics, being processed by client contracts office.
- 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.
- Innovation Strategy session being worked for this quarter.

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

- New Small Business Set-Aside Multi-million Task Order opportunity has been delayed by New Administration review.

Cashflows

- Revenues remain consistent, with the Company recording revenue in each of the three months in the First Quarter. First quarter 2021 invoicing of US\$442K is a mixture of government contracts, executive consulting and Cyber Risk Program product lines, a 26% increase over same period last year.
- The company will collect US\$266K in receivables in April 2021 from first quarter invoicing of government contracts, executive consulting and Cyber Risk Program.
- Payment made to related parties include payments made for the services provided by Key Management Personnel including Directors of the Company.

OUTLOOK

Marketing and Growth Focus 2021:

- Positioning our Cyber Risk Platform as a Service (PaaS) <https://www.whitehawk.com/cyber-risk-paas> to engage new channels across Internet Service Providers (ISPs), Managed Service Providers (MSPs) and Managed Security Service Providers (MSSPs) in addition to Financial Institutions and Insurance Groups. All are the Prime Client we are selling to as an automated, impactful, scalable and differentiated service. To include varying business models, branding and revenue share that can be tailored to the business objectives of the Prime Client.
- Frankly getting a contract vehicle established with both government and industry can take months, a year or more. Hence our focus on fully leveraging the Amazon Web Services (AWS) marketplace for AWS Partner Network (APN) cloud based product lines and services. <https://aws.amazon.com/marketplace/management/tour/> In addition to selling our Cyber Risk product lines we can bring in and sell our most innovative cloud-based partners. Most importantly the sale is streamlined and seamless, with no additional contract vehicle required for each sale.
- Our Global Consulting Partner GSIS continues to be an excellent channel for new active opportunities, over the past 2 months a total of 3 exciting Cyber Risk RFPs have been scoped and are being responded to for execution in 2021 and into 2022.
- Since early this year, we have been in discussions to put in place a second global consulting firm partnership, where we are a Cyber Risk Solution SaaS/PaaS provider across their current client needs.

- While the transition to a new Administration across the US Federal Government always entails new leadership priorities and contracting focus which causes many delays – The Biden Administration is putting a top Cyber Team in place, to include a new Cyber Director under the President with reach across the U.S. Interagency and with a renewed emphasis on Cyber Risk and Resilience based policy, guidance, oversight and funding. All which greatly benefits innovative companies with current contracts in place like WhiteHawk.

The Appendix 4C Quarterly Activities Report for the Period Ended March 31, 2021 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 March 2021

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
1. Cash flows from operating activities	340	340
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(94)	(94)
(b) product manufacturing and operating costs	(523)	(523)
(c) advertising and marketing	(40)	(40)
(d) leased assets	(21)	(21)
(e) staff costs	(270)	(270)
(f) administration and corporate costs	(206)	(206)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(814)	(814)
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 (3 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	192	192
2.4 Dividends received (see note 3)	-	-
2.5 Other #	261	261
2.6 Net cash from / (used in) investing activities	453	453

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	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	(10)	(10)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(10)	(10)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,368	2,368
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(814)	(814)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	453	453

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

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10)	(10)
4.5	Effect of movement in exchange rates on cash held	(11)	(11)
4.6	Cash and cash equivalents at end of period	1,986	1,986

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	1,221	920
5.2	Call deposits	765	1,448
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)	1,986	2,368

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	147
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	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
<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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	253	-
7.4 Total financing facilities	253	-
7.5 Unused financing facilities available at quarter end		253
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.		

8. Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(814)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,986
8.3 Unused finance facilities available at quarter end (item 7.5)	253
8.4 Total available funding (item 8.2 + item 8.3)	2,239
# 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)	2.75
<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	
<i>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.</i>	

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: 30 April 2021
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Authorised by: Terry Roberts
.....
(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.