



WHITEHAWK

2022

Quarterly Activities Report

WHITEHAWK LIMITED

Quarterly Activities Report for the Period Ended:

March 31, 2022

HIGHLIGHTS

WHITEHAWK LIMITED (ASX: WHK OR “THE COMPANY”), THE FIRST GLOBAL ONLINE CYBER SECURITY EXCHANGE ENABLING BUSINESSES AND ORGANIZATIONS OF ALL SIZES TO TAKE SMART ACTION AGAINST CYBERCRIME VIA RISK, MATURITY, COMPLIANCE AND THREAT, SOFTWARE AS A SERVICE ANNUAL SUBSCRIPTIONS AND VIRTUAL CONSULTS , IS PLEASED TO PROVIDE AN UPDATE ON ITS PROGRESS FOR THE FIRST QUARTER 2022.

- Invoiced US\$1.8M over US\$442K in the same period in 2021, a 400% increase.
- During the 1st quarter, collected US\$2.2M relating to sales receipt from customers.
- US\$505K in receivables as of 31 March.
- WhiteHawk finishes the 1st quarter of 2022 with a cash position of US\$2.1M and no debt.
- Executed Cyber Risk Radar Contract with Global Social Media company that commenced 14FEB22, for \$1.5M USD after completing a 2021 Proof of Concept.
- Executed Master Agreement with Dun & Bradstreet (D&B) as a Cyber Compliance partner, initial contract for one year with 4 option years of a broad “Cyber Compliance” reports subscription to include a contract for an initial 2,500 licenses. Integrated offering kick-off of 01FEB22, with marketing and sales campaigns starting in March 2022.
- Key Sales Channel Overview:
 1. Through Current Enterprise Clients
 - a. Large Companies – Manufacturing; Defense Industrial Base (DIB); Financial Sector; MSP
 - b. Government CIO/CISO’s
 - c. Global Consulting Groups
 2. 2022 3rd/4th QTR via Dun & Bradstreet Cyber Compliance Powered by WhiteHawk
 - a. First 2,500 Licenses to Suppliers/Vendors
 - b. Combined Federal & FSI Pipeline
 - c. Future EMBED model to Business Clients

3. 2022 4th QTR (Delayed from 2021) CMMC 2.0 Engagements w/ Amazon Web Services (AWS) U.S. Federal Government
 - a. Large Primes across vendors/suppliers/partners
 - b. U.S. Office of Secretary of Defense (OSD) CIO Initiative across DIB Contractors
 - c. AWS Marketplace Sales of Assessments & Virtual Consults

4. U.S. Federal Government RFI's/RFP's in Partnership with Prime Federal Contractors
 - a. U.S. State & Local – Virginia – VITA, Florida-DMS, and Wisconsin
 - b. GSA Supply Chain Risk Management (C-SCRM), CIA ARC Data Broker, U.S. Dept of Energy CIO C-SCRM

UPDATES FROM QUARTER

Prime Cyber Risk Radar Contract with a Global Social Media Platform Company

Contract Summary

- Base year commenced on 14FEB2022. Contract has a base year with 4 option years
- WhiteHawk providing an annual recurring Cyber-Supply Chain Risk Management (C-SCRM) subscription for a portfolio of 500 vendors/suppliers.
- Subscription includes both Continuous Monitoring and One-time reports for Cyber and Business Risks – all data and workflows centralized through an integrated and interactive Vendor Risk Management SaaS Dashboard.

Progress for the Quarter

- Contract Initiation and baseline onboarding of base set of vendors/suppliers for monitoring and engagement
- Supporting customer with customization in meeting internal objectives and workflow requirements; positioning WhiteHawk’s services and offerings as an integral capability for customer’s internal cyber functions and workflows moving forward
 - Customization of Vendor Onboarding and integration of datasets between client and Vendor Risk Management SaaS Dashboard
 - Tailoring of Vendor Onboarding and Cyber Assessment Questionnaires and scoring
 - Integrated, automated ability to identify and select vendors for allocation to various tiers of assessment (continuous or one-time)

Enablement of Continuous/Daily, automated updates to Cyber Risk Scorecards, reducing WhiteHawk labor and increasing profit margin.

Integration of Whitehawk Cyber Risk Scorecards with D&B Investigate

Contract Summary

- Base year commenced on 01FEB2022. Contract has a base year with 4 option years
- WhiteHawk providing an integrated, white-labeled, and fully automated version of the Cyber Risk via APIs
- Initial Subscription is for 2,500 Cyber Risk Scorecards to be allocated to D&B Investigate end customers in batches to support their monitoring of supply chain vendors/suppliers

Progress for the Quarter

- Development and deployment of a fully automated capability via API integration for ordering, tracking, and receiving Cyber Risk Scorecards between WhiteHawk and D&B
- Nightly creation of Cyber Risk Scorecards for all orders for 30 days; nightly synchronization between DNB and WhiteHawk
- Fully automated, Cyber Analyst interaction not required at any time.
- Analysis being performed to support a future Embed Business Model of the Cyber Risk Scorecards within all DNB subscriptions

Prime Cyber Risk Radar Contract being executed (1st of 4 option years after base year in 2019) in support of U.S. Federal Government Department CISO.

Contract Summary

- WhiteHawk providing online Software as a Service (SaaS), an annual recurring Cyber-Supply Chain Risk Management (C-SCRM) subscription, with training and technical reach-back.
- Automated Business Risk Reports provided on-demand, and Cyber Risk Scorecards being provided quarterly via an integrated and interactive Vendor Risk Management SaaS Dashboard.

Progress for the Quarter

- Tailored training sessions for new team members.
- Ongoing Business and Cyber Risk Continuous Monitoring, Alerting and Tracking.
- Quarterly Cyber Risk Scorecards mapped to Vendor Risk Management SaaS Dashboard.
- Additional task order developed for continuous technical reach-back to refine and optimize platform in support of key client needs.

Third Year Cyber Risk Program contract with major U.S. National Manufacturer via Global Consulting Partner and new Task Order vetting 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 which are underway across the CISO Team.

Progress for the Quarter

- Additional requirement for Cyber Risk Radar delayed by leadership changes; now planned for a Phase 1 of an initial 1,000 suppliers, late 2021/early 2022.
- Assessment of the CISO’s current team challenges, processes, training and optimization continues.

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 to Guidehouse. Guidehouse is being transitioned by DHS CISA to a new prime contractor ECS in March 2022.
- Transition to ECS as subcontractor under new contract vehicle.

Progress for the Quarter

- New US Federal Administration DHS CISA members are aligning QSMO Cybersecurity online Marketplace requirements across all US Federal Department stakeholders.
- Transition of all current development work to a US Federal Government owned cloud environment was delayed by client.
- Development of platform ongoing to meet Initial Operating Capability by early 2022.

- Working on transition of all development work to new prime contractor ECS.

U.S. Federal Government Department CIO Contract as Sub to Prime:

Contract Summary

- WhiteHawk's Cyber Risk Policy subcontract in 3rd of 5 years.

Progress for the Quarter

- Small Business Set-Aside multi-million Task Order opportunity was moved to prime contractor.
- New Cyber Risk Radar opportunity for CIO Cyber-Supply Chain Risk Management demo conducted and contract opportunity being tracked.

Cashflows

- Revenues continue to grow, with the Company invoicing US\$1.769M in the first quarter of 2022. Invoiced US\$269K of government contracts, executive consulting and US\$1.5M Cyber Risk Radar product lines.
- Subsequent to the quarter end, the company will collect US\$505K in receivables from invoicing of U.S. Government contracts, executive consulting and WhiteHawk Scorecards.
- WhiteHawk continues to manage expenses, excluding cost of sales, within planned budget expending roughly US\$500K which is the same quarter over quarter from last year.
- Payments made to related parties include payments made for the services provided by Key Management Personnel.

OUTLOOK

WhiteHawk continues to grow revenue year on year of US\$2.3M for 2021 over US\$1.9M for 2020 and put in place Master Service Agreements (MSA), Proof Of Concepts (POC) and new strategic opportunities that provide a strong foundation for revenue growth in 2022 and beyond. The continuation of the impact of the Global Pandemic on the vetting and finalizing of procurement contracts both in government and industry continues but is abating as COVID is now considered endemic in the U.S.

While inflation will remain a near term factor in managing general and administrative expenses for 2022, we will continue to maintain a healthy gross margin for our product lines, working closely with our strategic vendor partners to achieve best pricing thus reducing any inflationary impacts. As a SaaS product line and virtual service online company, however, we are not impacted by the myriad of supply chain issues that so many Sectors have been facing.

WhiteHawk 2022/2023 High Level Objectives:

1. Continue to retain and grow Cyber Risk Radar and Cyber Risk Program contracts across current/future pipelines, as baseline annual recurring revenue and for product improvement
2. Advance current US Defense Industrial Base Partnerships, in order to team on all Cyber and Supply Chain Risk Federal Requests for Information and Proposals
3. Positioning of the WHK Cyber Risk Platform to Business Credit Card and U.S. State & Local entities as the optimal, tailorable, and impactful approach to service thousands of companies or organizations globally and regionally
4. Execute phase 1 of Cyber Compliance sales with Dun & Bradstreet Federal, transitioning to Dun & Bradstreet EMBED Commercial Sales Channel longer term.
5. Optimize Company financial position with annual recurring revenue SaaS and PaaS contracts, whilst always ensuring continuous product line improvement based upon customer feedback and technical innovation and automation.

WhiteHawk Near Term Objectives:

1. Close on three current Cyber Risk Radar & Program contract proposals, based upon successful Proofs of Concept (POC)
2. Advance Dun &Bradstreet and Amazon Web Services sales to US Federal Systems Integrators (FSIs) and US Federal & Commercial Sectors – Contracting Cyber Compliance and Cyber Risk Scorecard subscriptions respectively
3. Kick-Off Cyber Risk PaaS & EMBED Cyber Risk Scorecard sales to one of the current Financial Sector clients in the pipeline
4. Maximize ceiling on current government contracts & respond with Defense Industrial Partners on two known 2022 Cyber-Supply Chain Risk Management (C-SCRM) Request For Proposal (RFP).

WhiteHawk Product Line Initiatives:

1. Reviewing and evaluating four top cyber intelligence data feed options, to create an additional section of the Cyber Risk Scorecard assessment focused on “current cyber threats” impacting a company.
2. Exploring how to make Cyber Ratings and Assessments systemic for businesses to conduct business with clients, partners, government as are Business Credit Ratings. Starting with developing and embedding Cyber Ratings with D & B reporting.

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.



www.whitehawk.com

The Appendix 4C Quarterly Activities Report for the Period Ended March 31, 2022, follows.

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 2022

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,200	2,200
1.2 Payments for		
(a) research and development	(145)	(145)
(b) product manufacturing and operating costs	(797)	(797)
(c) advertising and marketing	-	-
(d) leased assets	(22)	(22)
(e) staff costs	(295)	(295)
(f) administration and corporate costs	(213)	(213)
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	728	728

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	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

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	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,350	1,350
4.2	Net cash from / (used in) operating activities (item 1.9 above)	728	728
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

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)	-	-
4.5	Effect of movement in exchange rates on cash held	23	23
4.6	Cash and cash equivalents at end of period	2,101	2,101

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	619	780
5.2	Call deposits	1,482	570
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)	2,101	1,350

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	158
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.</i>		
<i>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)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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.	-	

8. Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (item 1.9)	728
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,101
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,101
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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: 29 April 2022
.....

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.