

WHITEHAWK

2022

# Quarterly Activities Report

WHITEHAWK LIMITED

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**Quarterly Activities Report for the Period Ended:**

**30 June 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 SECOND QUARTER 2022.**

- Invoiced to-date US\$1.9M over US\$742K in the same period in 2021, a 243% increase.
- During the 2nd quarter, collected US\$210K relating to sales receipt from customers.
- US\$425K in receivables as of 30 June.
- Finished the 2nd quarter of 2022 with a cash position of US\$1.444M and no debt.
- Three new Cyber Risk Programs in partnership with Hathaway Global Strategies for U.S. based transportation manufacturer, Real Estate and Private Equity Firm.
- Scoped and finalizing procurement paperwork for two 60-day U.S. Government Cyber Risk Radar, Cyber-Supply Chain Risk Management (C-SCRM) Proofs of Value (POV) for \$320K and \$100K USD, respectively.
- Jointly responded to a U.S. Board of the Federal Reserve Cyber Risk Monitoring Market Survey with Dun & Bradstreet Public Sector (D&B), to be followed by capability demonstrations.
- Jointly responded to a U.S. Army Cyber Command Artificial Intelligence Request for Information with D&B.
- Competed in the U.S. Government’s General Services Administration (GSA) and American Council for Technology and Industry Advisory Council (ACT-IAC) C-SCRM Shark Tank on June 9<sup>th</sup> and was selected as one of the two key winners, resulting in immediate exposure future demonstrations across the U.S. Federal Government Supply Chain Risk Management and Procurement communities.
- Developed and executed with D&B phase one of a joint email and social media marketing campaign highlighting our D&B Cyber Compliance offering for U.S. Federal Government Prime Contractors and their suppliers, vendors and partners.
- Selected by Amazon Web Services (AWS) Federal to participate in U.S. Department of Defense engagements and demonstrations regarding our respective Cybersecurity Maturity Model Certification (CMMC) 2.0 joint capabilities.

# UPDATES FROM QUARTER

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

### Contract Summary

- Base year commenced on 14 February 2022. 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

- Onboarding of third-party vendors onto platforms for monitoring, alerting, and prioritization.
- Delivered Quarter 1 deliverables to client, which includes cyber and business risk reports and analysis.
- Completed Cyber Risk Radar platform customization in support of client's internal processes for third-party risk monitoring and engagement.
- Working with client to integrate directly with WhiteHawk platform to pull Cyber Risk Scorecard data to support client's internal data lake objectives, trend analytics and alerting.
- Continue to support technical collaboration sessions to identify and vet additional datasets for integration.

## **Integration of Whitehawk Cyber Risk Scorecards with D&B Investigate**

### Contract Summary

- Base year commenced on 01 February 2022. 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

- Continue to participate in technical collaboration session for future requirements.
- Developed and deployed two production reporting capabilities to support internal WhiteHawk metrics collection and analysis.

## **Prime Cyber Risk Radar Contract being executed (1<sup>st</sup> of 4 option years after base year in 2019) in support of U.S. Federal Government Department Chief Information Security Officer (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

- Ongoing Business and Cyber Risk Continuous Monitoring, Alerting and Tracking.
- Continued support to new contractor team within client's organization, including demonstrations and training
- Preparing for final quarterly deliverables and supporting ongoing business strategies for upcoming 2<sup>nd</sup> option year renewal.
- Continue to introduce new datasets and capabilities for service improvements.

## **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

- Launched contract renewal and services.
- Support to both Consulting Partner and Manufacture end client on deep dives of analytic results and risk mitigation recommendations.
- Providing technical and thought leadership as end client is going through organizational changes. Developing near-term recommendations to increase security posture during transition, and long-term strategies to refine and mature security services focused on resulting organizational outcomes.

## **New Partnership with Hathaway Global Strategies for product line and technical reach-back to include Cyber Risk Program, Cyber Risk Scorecards, and Cyber Subject Matter Expert (SME) Services.**

### Contract Summary

- Delivering Cyber Risk Program and Cyber Risk Scorecards for a major transportation manufacturer and Real Estate Firm.
  - Cyber Risk Program for this client an annual subscription initiated in May 2022 focus on monitoring, analyzing, and performing deep technical analysis of findings on the end-client’s external facing infrastructure.
  - One-time Cyber Risk Scorecards for key client suppliers.
- Cyber Risk Scorecards for a private equity firm that seeks to invest in the agricultural and food sectors:
  - Cyber Risk Scorecards for end-client’s key suppliers

## Progress for the Quarter

- For the Major transportation manufacturer and Real Estate company:
  - Initiated and performed Quarter 1 analysis and development of deliverables in support of the Cyber Risk Program. In addition to delivering findings and reports, supported multiple technical deep dives of findings.
  - Developed one-time Cyber Risk Scorecards for a core set of end-client's suppliers and reviews of findings.
  - Preparing for Quarter 2 activities in support of the Cyber Risk Program.
  - Based on positive outcomes of the Quarter 1 activities, WhiteHawk is working on adding on additional services to the engagement.
- For the private equity firm:
  - Developed and delivered one-time Cyber Risk Scorecards and performed deep dives of findings and recommendations
  - Based on positive outcomes, currently in conversations for an annual Cyber Risk Radar subscription across the end-client's supplier portfolio.

## **U.S. Federal Government Department Chief Information Officer Contract as Sub to Prime:**

### Contract Summary

- WhiteHawk's Cyber Risk Policy subcontract in 3<sup>rd</sup> of 5 years.

### Progress for the Quarter

- Continue to vet subject matter expertise requirements and responding to prime with viable candidates for consideration.

## **Cashflows**

- Revenues continue to grow, with the Company invoicing US\$1.9M through the second quarter of 2022. Invoiced US\$269K of government contracts, executive consulting, US\$138K WhiteHawk Scorecards and US\$1.5M Cyber Risk Radar product lines.
- Subsequent to the quarter end, the company will collect US\$425K in receivables from invoicing of WhiteHawk Scorecards.
- WhiteHawk continues to manage expenses within planned budget expending US\$544K which is a 9% increase, due to inflation, over the same quarter last year.
- Payments made to related parties include payments made for the services provided by Key Management Personnel.

# OUTLOOK

As US industry moved on from business investment delays arising from the Global Pandemic, the invasion of Ukraine has added to rising inflation. WhiteHawk being an online platform and Software as a Service (SaaS) based portfolio of product lines, means our services and supply chain are not directly impacted. A 9% inflation rate, however, remains a near term factor in managing general and administrative expenses for 2022. Fortunately, the automation and product advancements we implemented in 2021 continue to enable us to maintain a healthy gross margin of 25% to 40% across all product line subscriptions. And we continue collaborating closely with our strategic vendor partners to achieve best pricing thus reducing inflationary impacts outside of our control.

**Driving Decision Intelligence.** The current world dynamic of many major disruptions, all at the same time truly complicates a business or organizations ability to maintain situational awareness as a foundation to smart decision making. At WhiteHawk our platforms and product lines are all about aggregating the right information, assessing it, prioritizing it, in order to make focused, smart decisions about risk and resilience continuously.

**Mitigate Risks Through Continuous, Informed Action.** Mitigating Digital Age risks takes awareness and action, not just from the IT department, CISO, CIO, CSO but the entire leadership team. Organizations must understand and own their cyber risk and threat landscape, that can easily disrupt their operations, damage their reputation and impact their revenue. With today's nexus of global disruptions, a defensive approach is not sustainable nor effective. Organizations need to be building resilience by leveraging our Cyber Risk Program for themselves and our Cyber Risk Radar for their supply chain.

**To Meet These Global Challenges, we are accelerating our Sales Go to Market Channels:**

- As a member of the Amazon Web Services (AWS) Partner Network and their AWS Vendor Insights Program
- With Dun & Bradstreet Public Sector, Cyber Compliance Powered by WhiteHawk
- Integrated with the Sontiq Business Suite (purchased by TransUnion in 2021)
- As a preferred Cyber-Supply Chain Risk Management (C-SCRM) solution – Cyber Risk Radar for Peraton.

## 2022 U.S. Federal Gov't Requests for Information/Market Surveys Responses:

- ARMY Cyber Command Artificial Intelligence RFI June 28th
- Board of the Federal Reserve Cyber Risk Monitoring Market Survey June 25<sup>th</sup>

## WhiteHawk was selected to participate in the AWS Services Vendor Insights Beta, a Product Line Assurance Program:

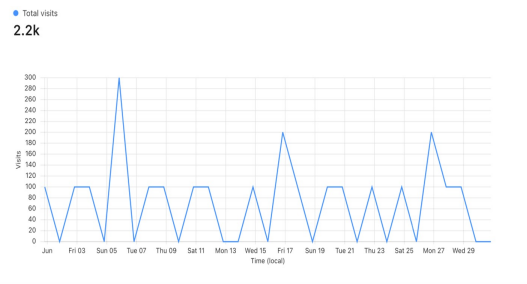
- This framework is then used to create our security profile which will be available on our Vendors Insights page once it goes live via AWS Marketplace around July 27<sup>th</sup>, 2022.
- AWS is running an AWS Vendor Insights campaign, to include "What's New Post" that officially announces the preview; Shared demos at the AWS Marketplace booth; run social media to amplify the preview.

## Digital Marketing Growth, Communications and PR:

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# Recent Website & Social Media Metrics

## Website



## LinkedIn

Analytics  
Last 30 day activity

- 175 Search appearances (Last 7 days) ▼ 12.1%
- 196 Unique visitors ▲ 16.7%
- 30 New followers ▲ 57.9%
- 3.6K Post impressions ▲ 168.8%
- 32 Custom button clicks ▲ 88.2%

## Facebook

Posts  
Last 28 Days | Post Reach

Post	Post Reach	Engagement
Get to know Michael Good - WhiteHawk's Technical Director/Executive of Cyber Services! What was the first job you ever had? Before joining the Army, my first and o...	13	0
We are pleased to announce the addition of OnDefend and Orpheus to the WhiteHawk Marketplace! Select the links below to learn more about these innovative...	11	1
Have you ever thought about if an X-ray machine can be hacked? Most of us have blind trust in our medical device manufacturers, even though Cybersecurity in...	9	0
"Recovering from a cyber attack can be costly and time-consuming. Many small businesses don't survive it." - Donna Fuscaldo Don't let your business be the next victi...	9	0
The WhiteHawk cybersecurity exchange is truly a one stop shop for all businesses and organizations to gain insights into their cyber risks, to mitigate those risks and to track...	9	0
Trusted knight	8	3
"We need a repeatable methodology, something that is consistent - that common reporting framework where everybody is held accountable to the same standard is...	8	0

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Date	Recent PR Activity
6/9	<ul style="list-style-type: none"> <li data-bbox="435 348 1321 373">• ACT-IAC GSA C-SCRM Shark Tank Broadcast to U.S. Federal Government</li> </ul>
6/17	<ul style="list-style-type: none"> <li data-bbox="435 453 1403 478">• INSA DIB SMB Innovation Showcase – Terry Roberts on the Selection Committee</li> </ul>
7/6	<ul style="list-style-type: none"> <li data-bbox="435 537 1435 625">• AU Cybersquawk Interview WhiteHawk: Cybersquawk is powered by Maysaffron - a solution to educate on the emerging cyber trends and threats faced everyday by government, business and individuals.</li> </ul>
7/21	<ul style="list-style-type: none"> <li data-bbox="435 657 1435 709">• US Chamber of Commerce AI Commission – Terry Roberts Testimony to the COC AI Commission</li> </ul>

## 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.



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***The Appendix 4C Quarterly Activities Report for the Period Ended 30 June 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")**

30 June 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$US'000</b>	<b>Year to date (6 months) \$US'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	210	2,410
1.2 Payments for		
(a) research and development	(270)	(415)
(b) product manufacturing and operating costs	(65)	(862)
(c) advertising and marketing	(1)	(1)
(d) leased assets	(21)	(43)
(e) staff costs	(307)	(602)
(f) administration and corporate costs	(151)	(364)
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(605)</b>	<b>123</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(5)	(5)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(5)</b>	<b>(5)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,101	1,350
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(605)	123
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(5)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (6 months) \$US'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(47)	(24)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,444</b>	<b>1,444</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$US'000</b>	<b>Previous quarter \$US'000</b>
5.1	Bank balances	470	619
5.2	Call deposits	974	1,482
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,444</b>	<b>2,101</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$US'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	175
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>		

7. <b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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. <b>Estimated cash available for future operating activities</b>	<b>\$US'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(605)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,444
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,444
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.39
<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 July 2022  
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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.