

WHITEHAWK

December 2022 Quarterly Activities Report

WHITEHAWK LIMITED

Quarterly Activities Report for the Period Ended:

31 December 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 FOURTH QUARTER 2022.

- Invoiced during CY22 US\$3.6M.
- During the 4th quarter, collected US\$858K relating to sales receipts from customers.
- US\$400K in receivables as of 31 Dec.
- Finished the 4th quarter of 2022 with a cash position of US\$2.171M and no debt.
- Fourth Quarter of 2022 was the second cash positive quarter for WhiteHawk in CY22
- Global Social Media Platform Company Cyber Risk Radar contract renewed as announced to ASX on 8 December 2022 for 12 months, with engagement for expansion to additional business units.
- Commenced Cyber-Supply Chain Risk Management (C-SCRM) IRAD first phase with Peraton in December 2022 and scoping phase 2 for 1st QTR 2023.
- Partner Dun & Bradstreet (D&B) sold 500 Cyber Compliance Licenses Powered by WhiteHawk to a major U.S. Federal System Integrator (FSI).
- With D&B Public Sector in lead, awaiting Board of U.S. Federal Reserve Bank decision on a Cyber Risk Monitoring contract across all 5,000 U.S. Financial Institutions, due in 1st QTR 2023.
- Pipeline includes potential for AWS Corporate and their C-SCRM provider Exiger, to integrate WHK’s Cyber Risk Mitigation capabilities, with a focus on highest risk companies.
- Responded to the U.S. Department of Homeland Security (DHS) CISA NRMCM SCRM small business Sources Sought opportunity - contract is for 3 years for \$30M USD.
- Signed a Letter of Intent with Peraton as a Cyber Technology Insertion and C-SCRM Partner on the DHS CISA Cybersecurity contract vehicle ACTS, 3rd/4th QTR 2023.
- Finalizing a Cyber Florida Critical Infrastructure Cyber Risk Assessments Pilot to be conducted across 150 entities in 1st QTR 2023.



- Contracting paperwork being finalized for a U.S. City, Cyber Risk Program FEB23.
- Responded 15DEC22 to a Department of Energy Cyber Resilience of Rural Utilities Request for Proposal (RFP).
- WHK working with AWS Federal, scoping a C-SCRM proof of value for a U.S, Department of Defense Program.
- Advancing Sontiq WHK Business Suite SaaS EMBED sales to global Managed Service Providers, Financial & Insurance Firms for their SME Business Clients.
- Awaiting decision on, a 60-day U.S. Government Cyber Risk Radar, C-SCRM Proof of Value, for \$350K USD.

UPDATES FROM QUARTER

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

Contract Summary

- Contract renewed in December 2022 and base year commenced on 14 February 2022. Contract has a base year with 4 option years.
- WhiteHawk providing an annual recurring 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

- Delivered cyber and business risk automated reports and portfolio analysis.
- Continued to support technical collaboration sessions to identify and vet additional datasets for integration.
- Continued to assess additional data sources and feeds to augment data cyber risk and intelligence analysis and reporting.
- Finalized scoping and execution of follow-on subscription for 2023.

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 a D&B tailored Cyber Compliance report via APIs.
- Current subscription is for 2,500 Cyber Compliance reports to be allocated to D&B Investigate end customers in batches to support their monitoring of supply chain vendors/suppliers.

Progress for the Quarter

- Continued to support joint sales and communications campaigns for awareness for future potential requirements and integration opportunities.

- Continued monitoring and reporting in support of portfolio trends.
- Continued uploading reports as purchased by D&B Clients.

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

Contract Summary

- Base year commenced in August 2019. Contract has 4 option years.
- Currently executing on Option year 3.
- WhiteHawk providing online Software as a Service (SaaS), an annual recurring 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

- Performed ongoing Business and Cyber Risk Continuous Monitoring, Alerting and Tracking.
- Continued support to new contractor team within client's organization, including demonstrations and training.
- Continued delivery of quarterly Cyber Risk Scorecards and Analysis.
- Demonstrated additional capabilities for future option year consideration.
- Conducted C-SCRM strategy sessions to advance program impact.

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

Contract Summary

- Currently executing on 3rd year of subscription.
- 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

- Supported both Consulting Partner and Manufacture end client on deep dives of analytic results and risk mitigation recommendations.
- Continued technical and thought leadership conversations as end client is going through Business Unit divestitures and alignments in 2023.
- Developed and presented both near-term recommendations to advance current security posture during transition, and longer-term strategies to become operationally cyber resilient in an automated and cost-effective manner.
- Continued reviewing WhiteHawk and partner cyber risk mitigation capabilities and having ongoing strategic conversations for follow-on contract scoping in 1Q 2023.

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 and debrief on key client suppliers.
- Cyber Risk Scorecards for a private equity firm that seeks to invest in the agricultural and food sectors:
 - Cyber Risk Scorecards and debrief on end-client's key suppliers.

Progress for the Quarter

- For the Major transportation manufacturer and Real Estate company, WHK:
 - Undertook deep dive of Cyber Risk Scorecards for a core set of end-client suppliers and reviews of findings.

- Delivered Quarter 4 activities in support of the Cyber Risk Program.
 - Continued providing subject matter expertise and deep dives with end client of findings and recommendations.
- For the private equity firm, WHK:
 - Continued to assess requirements for additional Cyber Risk Scorecards and analyses with end client.

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

Contract Summary

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

Progress for the Quarter

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

Partnering with Peraton on an IRAD Integrating Their Risk Analytics onto whitehawk.com as Part of WhiteHawk's Cyber Risk Radar Capabilities

Contract Summary

- Phase 1: 4th QTR 2022
 - Integration of Peraton's Risk Analytics across a portfolio of suppliers leveraging data from test set of WhiteHawk's Cyber Risk Scorecard datasets.
- Phase 2: 1st QTR 2023 (Contract formalization in progress)
 - Automated integration of Peraton's Risk Analytics.
 - Subscription for 75 companies for 60-Day monitoring and Cyber Risk Scorecards.

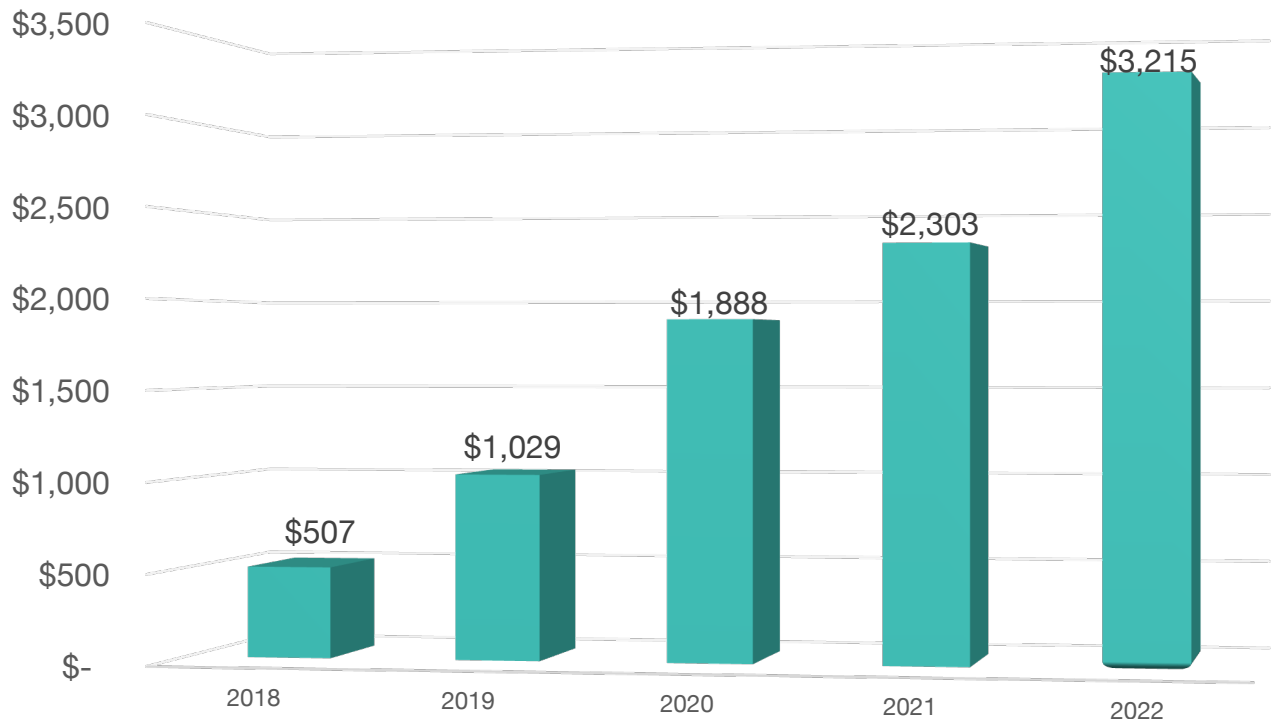
Progress for the Quarter

- Completed integration of a set of static Cyber Risk Scorecards and sample Peraton Analytics output to convey value proposition.
- Continuing technical conversations on automated data integration and Cyber Risk Scorecard subscriptions.

CASHFLOWS

- Strong rising annual revenues continuing with the Company invoicing US\$3.6M for 2022. Invoiced US\$2.5M for Cyber Risk Radar products, US\$104K for Cyber Risk Program products, US\$725K for WhiteHawk Scorecards and US\$294K under U.S. Government contracts.
- The company is due to collect US\$400K in receivables from invoicing of WhiteHawk Scorecards in first quarter of 2023.
- WhiteHawk experienced a positive cashflow for the fourth quarter. The second cash positive cashflow in 2022. The first cash flow positive quarter was Quarter 1 of 2022
- WhiteHawk continues to manage expenses within planned budget, expending US\$4.3M in total operating expenses over US\$4.1M for same period last year.
- Payments made to related parties include payments made for the services provided by Key Management Personnel.

Growing Revenues by Year in \$USD Thousands (Annual audit for 2022 underway)








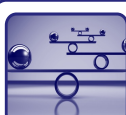


OUTLOOK

WHITEHAWK

EMPOWERING A FEARLESS INTERNET

2023 Business Objectives, Pipeline & Projections

 <p>Projections 2023 revenue projections on track with current contracts, active Commercial Pipeline and Government RFP's</p>	 <p>Customer Renewal • 80% or greater</p>
 <p>New Sales Bookings \$20M Pipeline to reach growth benchmark \$5.5M • Cyber Risk Radar \$4.5M • Cyber Risk Program \$2M • Sontiq-WHK Business Suite \$10.5M</p>	 <p>Employee Retention • Maintain current excellent employee retention of 80%-90% • Conversion of proven Interns to Full-Time • Recruiting of new Interns</p>
 <p>Existing Customer Upsell/Cross-sell • Federal Government CISO \$500K • Commercial \$1.5M • Manufacturer \$1M</p>	 <p>Product Roadmap Delivery • Advancing holistic roadmap across product lines with theme on automation and scalability • Delivering Integration with new cyber risk partners</p>
 <p>Enterprise Marketing & Branding • Go-To-Market Strategy Mapping Product Lines to Target Clients • MSPs, Banks, Insurance Groups, Federal, State & Contractors • PR & Digital Marketing Campaigns in U.S. & Australia • Cyber Risk, Innovation & CMMC 2.0 thought leadership</p>	 <p>Customer Needs Alignment • Tailoring of platforms to meet evolving requirements • Continuous advancement of platform features and new product lines</p>

High Level 2023 Objectives:

- Continue to retain/grow Cyber Risk Radar and Cyber Risk Program contracts with and through Global Consulting Partners and across current pipeline as baseline revenue.
- Drive renewed go to Market with TransUnion-Sontiq Business Suite targeting Global MSP's and Financial Sector Business Clients.
- In parallel, respond to U.S. Federal, State and Local Cyber Risk Monitoring and C-SCRM RFP's with Peraton, D&B and as a Small Business.
- Execute Cyber Compliance sales with D&B focused on the Federal Government and Federal System Integrators.
- Grow C-SCRM POV opportunities with AWS Federal, Peraton and D&B Public Sector.
- Continuously advance in-house product line automation and technical integration with key Partner Technologies in support of current and future client requirements.

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 31 December 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 December 2022

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	859	3,939
1.2 Payments for		
(a) research and development	(221)	(871)
(b) product manufacturing and operating costs	(74)	(1,369)
(c) advertising and marketing	(23)	(25)
(d) leased assets	(22)	(85)
(e) staff costs	(328)	(1,276)
(f) administration and corporate costs	(137)	(654)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	(1)	(1)
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	56	(339)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(7)
(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	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(7)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,259	1,259
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	(56)	(56)
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	1,203	1,203

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	898	1,350
4.2	Net cash from / (used in) operating activities (item 1.9 above)	56	(339)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(7)

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)	1,203	1,203
4.5	Effect of movement in exchange rates on cash held	14	(36)
4.6	Cash and cash equivalents at end of period	2,171	2,171

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	69	63
5.2	Call deposits	2,102	835
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)	2,171	898

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	207
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.	Financing facilities <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>	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)	-	-
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)	56
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,171
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,227
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: 31 January 2023
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Authorised by: Terry Roberts
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(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.