



WHITEHAWK

June 2023

Quarterly Activities Report

WHITEHAWK LIMITED

Quarterly Activities Report for the Period Ended:

30 June 2023

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 2023.

- Invoiced second quarter to date is USD \$903K.
- USD \$173K in receivables as of 30 Jun 2023.
- Finished the 2nd quarter of 2023 with a cash position of USD \$311K and no debt.
- US Federal Government contract announced in July 2020 now extended for 4th year valued at USD \$672K base, with option for additional USD \$505K services.
- Announced a 1 for 6 non-renounceable rights to raise up to circa A\$1.4m at an issue price of a A\$0.032 per share, being a 15.8% discount to the share price on July 21st, the day before the announcement.
- Peraton as Prime Contractor submitted a final proposal for U.S. Department of Homeland Security, Cybersecurity and Critical Infrastructure Agency (CISA) ACTS, Request for Proposal (RFP) on a 5YR Contract for cybersecurity capabilities, for USD \$2-3B per YR with an award decision scheduled for autumn 2023. WhiteHawk, as a sub-contractor, has partnered with Peraton for Cyber Technology Insertion and Cyber Supply Chain Risk Management (C-SCRM) capabilities.
- Peraton as Prime Contractor is also preparing to respond to another RFP from DHS CISA for the National Risk Management Center (NRM) SCRM SCRASS which had been delayed from May 2023 to August 2023, for a 3YR contract valued at USD \$30M-\$50M with potential WhiteHawk Share of USD \$2M per annum as a Sub Contractor.
- WhiteHawk risk mitigation is undergoing an evaluation by a current Cyber Risk Radar Global Social Media client of WhiteHawk for expansion of automated Third-Party Risk Management (TPRM) Assessments to approximately 9,000 Vendors on an annual basis, to include high risk vendor risk mitigation via virtual consults and engagement.
- Federal Reserve Board (FRB) Cyber Risk Monitoring opportunity across 5,000+ Financial Firms from December 2023 has not been awarded and is still active: [The Fed - Supplier Registration System \(federalreserve.gov\)](https://www.federalreserve.gov)
- New active Leads and Proof of Value offers as a result of Sydney, Melbourne, and Perth engagements in May and follow-up discussions June and July 2023 with: Chubb; Marsh; PMY; RSM; Hallmark Health Services; City of Joondalup and Consulting Firms.



- Continuing TransUnion Sontiq and WHK Business Suite SaaS EMBED demonstrations to global Managed Service Providers (MSPs) and Financial & Insurance Firms for their SMB business Clients.

UPDATES FOR QUARTER

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

Contract Summary

- Contract renewed in December 2022 for Year 2. Base Year 1. Contract has three (3) additional option years remaining.
- WhiteHawk providing an annual C-SCRM subscription for a portfolio of 300 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

- Delivering on cyber and business risk automated reports and portfolio analysis.
- Continued to support technical collaboration sessions to identify and vet additional opportunities for increased automation within Client's internal workflows.
- Providing Compliance focused assessments against their internal security controls for critical vendors.
- Vetting of additional data providers and compliance-based capabilities for potential augmentation to subscription

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 base year and four option years.
- 4th Year Annual Subscription renewal in July 2023 (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 contractor team within client's organization, including demonstrations and training.
- Enhanced automated delivery of Cyber Risk Scorecards from Quarterly to Daily updates.
- Providing expertise and support to development of automated assessments to support increased volume of internal vendor vetting requests. Including not only support to leveraging WHK's Cyber Risk Radar tools and outputs, but also to internal workflows and processing.
- Tailored Integrated Vendor Risk Management Dashboard to support Vendor Engagement and Tracking

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

Contract Summary

- Annual contract renewed on March 31, 2023. Currently executing on 4th year of subscription.
- Providing independent expert risk assessment subscription for Manufacturer's seven Business Groups. Includes: Cyber Risk Continuous Monitoring, Deep Dive Analysis and Prioritization leveraging multiple datasets; 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 finalizing Business Unit divestitures and alignments in 2023.
- Continued assessment of impacts and opportunities as end client is executing on the divestiture and alignment opportunities.
- Establishing contacts and making recommendations for leveraging the Cyber Risk Program on the Business Units that are separating.



Technical and Cyber SME Services to Peraton in support of their Internal Research & Development Program (IRAD) projects for 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 WhiteHawk's Cyber Risk Scorecard test datasets.
- Phase 2: 1st QTR 2023 (Contracted in January 2023)
 - Automated integration of Peraton's Risk Analytics.
 - Subscription for 75 companies for 60-Day monitoring and Cyber Risk Scorecards.

Progress for the Quarter

- Completed Phase 2.
- Working with Peraton to identify enhancements and Supporting demonstrations with internal business development and capture managers for inclusion in 2023 and 2024 U.S. Federal opportunities and current Clients.

Dunn and Bradstreet (D&B) Partnership with Embedded Whitehawk Cyber Risk Scorecards within the D&B Investigate Platform

Contract Summary

- Base year commenced on 01 February 2022. Contract has a base year with four 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.
- Enhanced APIs to include processing of continuous monitoring licenses for future sales opportunities.



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

Contract Summary

- Partnered with Accenture Federal Services (Prime) to providing WhiteHawk's Cyber Risk Policy SME services.
- Currently in Year 4 of 5.

Progress for the Quarter

- WhiteHawk continues to vet SME requirements and submit potential candidates for consideration.

Proof-of-Value (POV) or Bid Updates

- Georgetown University successfully completed a WhiteHawk Cyber Risk Program POV for their internal enterprise. Annual Contract signed and kicked off in May 2023.
- Florida's Center for Cybersecurity (Cyber Florida), successfully completed a WhiteHawk Cyber Risk Radar POV across ~145 critical infrastructure entities. A proposal and contract vehicles provided, pending contracting decision.
- State of Wisconsin successfully completed a WhiteHawk Cyber Risk Radar POV and annual Cyber Risk Radar subscription proposal provided to previous CISO, all pending arrival of new CISO.
- Excell HCA Healthcare Consulting Firm POV for 1-5 Healthcare Clients.
- Hallmark Health Services providing list of entities for POV in August 2023.
- Hillenbrand RFP from May was not awarded.

WHITEHAWK.COM Platform Enhancements Update

- Enhanced Subscription Models to support Portfolio of Vendors/Suppliers to provide a centralized dashboard for the Cyber Risk Radar Offering.
- Integration of Industry Best Practice Compliance Framework controls
 - Collection of externally observed compliance controls data across 14 Industry Best Practice Frameworks that includes, but not limited to: ISO27001, NIST 800-171, NIST 800-53, GDPR, CMMC, and CIS.
 - Establishes the baseline necessary to perform automated, tailored risk assessments for client's compliance reporting requirements to avoid time-consuming and costly self-assessment procedures.
 - Adds Training and Education capabilities using real datasets and 14 Industry Best Practice Compliance Frameworks in support of Military trainees, Cyber analyst students, etc.
 - Q2 roadmap includes the ability to link observed compliance findings to action plans as well provide the ability to perform analysis for prioritizing mitigation activities.

CASHFLOWS

- The company is due to collect USD \$173K in receivables.
- WhiteHawk continues to manage expenses within planned budget, expending USD \$250K on average per month in total operating expenses over the first quarter and second quarter of 2023.
- Payments made to related parties include payments made for the services provided by Key Management Personnel.

OUTLOOK

Updated 2023 Business Objectives:

- Retain & grow current Cyber Risk Radar & Cyber Risk Program contracts across current pipelines as baseline revenue and for product improvement priorities.
- Maximize partnerships with Peraton, Amazon Web Services (AWS) and D&B.
- Grow Consulting Group Partnerships focused on Cyber Risk Program, Cyber Risk Radar & Sontiq-WHK Suite products
- Within new sales relationship with TransUnion, prioritize and drive Sontiq-WHK Business Suite Embed Subscriptions for Business Clients of Managed Service Providers.

Viewpoint TV Segment Campaign: Brand Recognition – leveraging exposure on a mass scale from PBS America’s Viewpoint’s viewers as well as utilizing video assets for branding purposes.

• Messaging

- WhiteHawk featured in educational series, The Viewpoint Project, emphasizing Cyber Resilience on a mass scale.
- WhiteHawk being Featured in the Viewpoint Project Series with Dennis Quaid - Highlighting the Importance and Effectiveness of Cyber Risk Monitoring & Reporting for Businesses of all Sizes.
- What is The Viewpoint Project? They are an educational platform with a goal to provide



WHITEHAWK

a closer look at some of the world's most influential organizations and individuals through curated segments.

AWS Marketplace and WhiteHawk Awareness Campaign: Awareness – Showcasing WhiteHawk has teamed up with AWS Marketplace, offering our Cyber Risk Assessments to AWS Marketplace Business Clients worldwide, effectively identifying, prioritizing, and mitigating cyber risks for businesses of all sizes.

Key Points:

- WhiteHawk has teamed up with AWS Marketplace, as a member of the AWS Partner Network (APN).
- WhiteHawk, a leading provider of cybersecurity solutions, has joined the AWS Marketplace.
- Introducing our flagship product, the Cyber Risk Scorecard, to AWS users worldwide.
- As a part of the AWS Marketplace, the Cyber Risk Scorecard seamlessly integrates with existing AWS services, allowing organizations to leverage their cloud infrastructure while bolstering their cyber resilience to online crime, fraud and disruption.

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 Cash Flow Report for the Period Ended 30 June 2023 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 2023

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	103	128
1.2 Payments for		
(a) research and development	(229)	(421)
(b) product manufacturing and operating costs	(7)	(431)
(c) advertising and marketing	(1)	(58)
(d) leased assets	(15)	(23)
(e) staff costs	(361)	(709)
(f) administration and corporate costs	(195)	(327)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	(1)	(2)
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	(705)	(1,841)
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 (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)	-	-
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	(15)	(15)
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	(15)	(15)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,018	2,171
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(705)	(1,841)
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 (6 months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(15)
4.5	Effect of movement in exchange rates on cash held	(2)	(4)
4.6	Cash and cash equivalents at end of period	311	311

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	71	28
5.2	Call deposits	240	990
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)	311	1,018

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	199
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	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	-	-
7.2	-	-
7.3	1,570	-
7.4	Total financing facilities	-
	1,570	-
7.5	Unused financing facilities available at quarter end	
		1,570
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.	
	<p>As announced on 31 October 2022, under the executed agreement with Lind Global Fund II, LP ("investor"), the investor agreed to fund additional A\$1,000,000 (US\$663,000) on pro-rata pricing and terms of initial A\$2m funding, upon mutual agreement between the investor and the Company. The Company will access the additional funding only in circumstances of additional funding required to cover timing difference of executing sales opportunities.</p> <p>As announced on 19 July 2023, the Company announced Rights Issue to raise up to A\$1,368,323 (US\$907,198) which will be used for active customer channel growth, focused market engagement, 360 risk frameworks channel sales, scaling of virtual cyber analyst hubs, expenses of the Offer and general working capital.</p>	

8. Estimated cash available for future operating activities	\$US'000
8.1	(705)
8.2	311
8.3	1,570
8.4	1,881
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)
	2.67
	<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: 31 July 2023

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.