



WHITEHAWK

September 2023 Quarterly Activities Report

WHITEHAWK LIMITED

**Quarterly Activities Report for the Period Ended:
30 September 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 (SaaS) ANNUAL SUBSCRIPTIONS AND VIRTUAL CONSULTS, IS PLEASED TO PROVIDE AN UPDATE ON ITS PROGRESS FOR THE THIRD QUARTER 2023.

- Invoiced US\$1.6M for the nine months ended 30 September 2023 with US\$672K invoiced in the third quarter for US Government contract renewal.
- US\$195K in receivables as of 30 September 2023.
- Finished the 3rd quarter of 2023 with a cash position of US\$1.08M and no debt.
- Global Social Media Client has given approval to move forward with 3-Phased Third Party Risk Management Transformation program through an additional Contract Order on the current contract. First phase includes performing Architecture, Business Process Transformation, Reporting, Analytics, and automation capabilities for up to 6,000 vendors. Phase 1 valued at US\$1.25M is expected to commence in November 2023.
- Awaiting final award on Critical Infrastructure Risk Assessment (CIRA) Cyber Risk Radar Program valued at US\$1.9M for up to 6,000 Public and Private entities, being scoped via Peraton NASPO contract vehicle for execution in December and January 2023.
- Dun & Bradstreet has requested additional Cyber Compliance Report licenses for a total of 750 for current D&B Clients.
- Cyber Risk Radar Proof of Values (POVs) recently completed for both the U.S. Space ISAC and Department of Energy (DOE) CISO, debriefs being scheduled.
- Awaiting final award late 2023 to early 2024 on a Peraton prime submitted Proposal for U.S. Veterans Affairs Enterprise Supply Chain Modernization where WhiteHawk is a solution partner.
- Awaiting final award on a Peraton prime proposal submitted in May 2023 for Department of Homeland Security CISA ACTS RFP/5YR Contract – cybersecurity across CISA valued at US\$2-3B per YR. Orals completed in June 2023 – awaiting Award in 4Q 2023.
- Responded to NATO Cyber Intelligence Request For Information (RFI) 16OCT with input from AWS Federal. RFP due out within the next 6 months.

- Responding to U.S. Department of Defense Request for Information (RFI) for Commercial Tools Portal for Publicly Available Information (PAI) Research. Response to be submitted October 31st with CGI Federal in lead.
- POVs completed and working client use case next steps with RSM Cyber, 8 Degrees East and Excell HCA Health.
- New strategic partnership with Advanced Cyber Security Inc. with a joint campaign focused on Financial and Insurance Sectors.
- Going through final vendor vetting by TransUnion regarding the joint offering for Sontiq-WHK Business Suite SaaS EMBED sales pipeline.
- CEO Terry Roberts participated in NASDAQ RANE Risk Summit on September 18th, where listed companies' Board members were briefed on current global risk dynamics impacting companies.
- Joint online marketing campaign with Amazon was conducted in September 2023 with a focus on WhiteHawk Cyber Risk Scorecards and Cyber Risk Program subscriptions.
- Joint online marketing campaign conducted with Perth based hyprfire, network threat hunting SaaS Solution that is now included as a feature in the WHK Cyber Risk Program.

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 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).
- WHK providing online SaaS services as an annual recurring C-SCRM subscription, with training and technical reach-back.
- Business Risk Reports provided on-demand with 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.
- Continue making recommendations for leveraging the Cyber Risk Program on the Business Units that are separating.

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.
- Provided quotes for adding additional licenses in support of D&B client needs.

U.S. Federal Government Department Chief Information Officer Contract as Subcontractor 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.

POVs for 3Q 2023

Engagement Summary

- RSM Australia – Cyber Risk Radar. Completed. Go-to-Market conversations in progress.
- HIH Group – Cyber Risk Radar. Currently in progress.
- PMY – Cyber Risk Program, Pending - Use case being scoped.
- Space ISAC – Cyber Risk Radar, completed and pending debrief.
- 8 Degrees East – Cyber Risk Radar. Completed and Go-to-Market conversations in progress.
- Department of Energy (DOE) – Cyber Risk Radar completed and pending debrief.
- Ontario Energy Board – Cyber Risk Program – Being scoped.

WHITEHAWK.COM Platform Enhancements Update

Focused on automation for reducing manpower needed for analysis and report development. This include, but are not limited to:

- Completed automation of data analysis, aggregation, and report development for Details Finding Report that is used both on the Cyber Risk Program and Cyber Risk Radar based on engagement scope.
- Automation in progress for development of Portfolio Analytic Reports in support of the Cyber Risk Radar Product Line. Deployment to production scheduled for November 2023.

CASHFLOWS

- Invoiced US\$1.6M for the nine months ended 30 September 2023 with US\$672K invoiced in the third quarter for US Government contract renewal.
- WhiteHawk continues to manage expenses within planned budget, expending US\$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

- Implement all 3 Phases of additional contract Orders for Global Social Media Client, Phase 1 in 4th QTR 2023, Phase 2 1st QTR 2024 and Phase 3 2nd QTR 2024, potentially tripling the current contract in support of up to 6,000 Vendors.
- Implement CIRA contract via Peraton across 6,000 State and Local Critical Infrastructure Public and Private Entities.
- Prepare to provide tailored Cyber Risk Solutions to and execute on Peraton Federal Government contract wins, to include insertion of Partner Capabilities.
- In partnership with Peraton State and Local Team, duplicate Critical Infrastructure Risk Assessment and Cyber Risk Program successes in additional key U.S. States and Cities.
- In response to request for additional impactful and scalable commercial capabilities, conduct compelling demonstration to Department of Defense Cybersecurity Directorate scheduled for November 9th, regarding the WHK solution options to provide Cyber Risk Identification, Prioritization and Mitigation Assessments across the Defense Industrial Base at scale, via CTG Federal Partner. Work near-term technology and platform insertion via CTG Federal contract vehicle.
- Continue to engage with NASDAQ Company Board Members interested in WHK Cyber Risk Program as an easy to implement 3rd Party and Hacker View Cyber Audit.
- Conduct up to ten next generation Partner Solution demo sessions (3 Solutions each session) with key Cyber Thought Leaders and Companies.
- Continue to maximize partnerships with Peraton, CTG Federal, Amazon Web Services (AWS), D&B, TransUnion-Sontiq and Advanced Cybersecurity in order to leverage additional Sales Teams and year over year growth.
- Continue platform enhancements for automation thereby decreasing WHK manpower needs in support of by the Cyber Risk Radar and Cyber Risk Program.
- Implement updated and compelling branding, website and marketing materials.

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 September 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 September 2023

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	672	800
1.2 Payments for		
(a) research and development	(187)	(608)
(b) product manufacturing and operating costs	-	(431)
(c) advertising and marketing	(14)	(72)
(d) leased assets	(22)	(45)
(e) staff costs	(340)	(1,049)
(f) administration and corporate costs	(157)	(484)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	(6)	(8)
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	(53)	(1,894)
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 (9 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)	895	895
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	(66)	(81)
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	829	814

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	311	2,171
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(53)	(1,894)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	829	814
4.5	Effect of movement in exchange rates on cash held	(2)	(6)
4.6	Cash and cash equivalents at end of period	1,085	1,085

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	146	71
5.2	Call deposits	939	240
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,085	311

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	169
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. 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)	646	-
7.4 Total financing facilities	646	-
7.5 Unused financing facilities available at quarter end		646
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>In the event that WhiteHawk wishes to access additional funds to support new revenue generating contracts, under the executed agreement with Lind Global Fund II, LP ("investor") announced to ASX on 31 October 2022, the investor agreed to fund additional A\$1,000,000 (US\$646,000) on pro-rata pricing and terms of initial A\$2m funding, upon mutual agreement between the investor and the Company.</p>		

8. Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(53)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,085
8.3 Unused finance facilities available at quarter end (item 7.5)	646
8.4 Total available funding (item 8.2 + item 8.3)	1,731
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	32.66
<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 October 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.