

28 August 2020

The Companies Announcements Office
The Australian Securities Exchange Limited
Sydney NSW

Appendix 4D – Half Year Report

1. Name of Entity **WhiteHawk Limited**
ABN 97 620 459 823

Half year ended 30 June 2020

Reporting period 1 January 2020 to 30 June 2020

Previous period 1 January 2019 to 30 June 2019

2. Results for announcement to the market

	30 June 2020	30 June 2019	% Change
	US\$	US\$	Up (Down)
2.1 Revenues from continuing operations	585,835	284,870	106%
2.2 Loss from continuing operations after tax attributable to members	(1,268,985)	(1,646,670)	(23%)
2.3 Net loss attributable to members	(1,268,985)	(1,646,670)	(23%)
2.4 Proposed dividends	Nil	Nil	-
2.5 Record date for dividends	N/A	N/A	

2.6 Brief explanation of figures in 2.1 to 2.4 necessary to enable the figures to be understood

Revenue continued to improve simultaneously due to growing product lines and expanded sales channels, particularly large governmental agencies. Operating expenses remain relatively the same as last year with continued focus on allocating resources to marketing of sales channels and the continued development of WhiteHawk's online exchange.

	30 June 2020	31 December 2019	% Change
	US\$	US\$	Up (Down)
3. Net tangible asset per security	0.004	0.010	(60%)
4. There were no entities for which control was gained or lost during the period.			
5. There were no payments of dividends during the reporting period.			
6. There is no dividend reinvestment plan in operation.			
7. There are no associates or joint venture entities.			
8. The Company is not a foreign entity.			
9. The accounts are not subject to a modified opinion, emphasis of matter or other matter paragraph.			

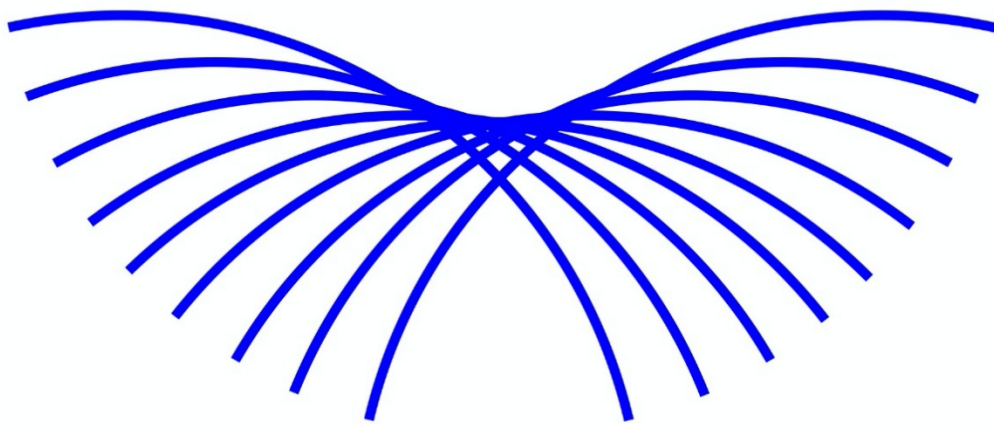
The Group's half year report follows.

Yours sincerely,



Terry Roberts
Chief Executive Officer
WhiteHawk Limited
28 August 2020

2020



WHITEHAWK

WhiteHawk Limited

Interim Consolidated Financial Report

For the Six Months Ended 30 June 2020

ABN: 97 620 459 823

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Corporate Information

Directors

Terry Roberts
Philip George
Louise McElvogue
Tiffany Kleeman

Registered Office

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USA

Share Registry

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Company Secretary

Kevin Kye

ASX Code

WHK

Website

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Accountant

Traverse Accountants
Level 3
35 Lime Street
Sydney NSW 2000
Australia

Auditor

RSM Australia Partners
Level 13
60 Castlereagh Street
Sydney NSW 2000
Australia

Lawyer

Steinpreis Paganin
Level 4, The Read Buildings,
16 Milligan Street
Perth WA 6000
Australia

Directors' Report

Your directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of WhiteHawk Limited (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the half-year ended 30 June 2020.

DIRECTORS

The following persons were directors of the Company during the half-year ended 30 June 2020 and up to the date of this report:

[TERRY ROBERTS](#) *Chief Executive Officer and Chairwoman*

[PHILIP GEORGE](#) *Non-Executive Director*

[LOUISE MCELVOGUE](#) *Non-Executive Director*

[TIFFANY KLEEMAN](#) *Non-Executive Director*

CHIEF EXECUTIVE OFFICER

[TERRY ROBERTS](#)

COMPANY SECRETARY

[KEVIN KYE](#)

PRINCIPAL ACTIVITIES AND STRATEGY

The Corporation operates the first online Cybersecurity Exchange based on a platform architecture that is Artificial Intelligence (AI)-driven, with a focus on identifying, prioritizing, and mitigating cyber risks for businesses of all sizes. WhiteHawk continually vets and assesses risk-focused technologies, methodologies, and solutions that are impactful, affordable, and scalable to stay up to date on current cyber threat vectors to businesses, organizations, family offices, and individuals. The Corporation has an online approach to determining key cyber risks through a Cyber Threat Readiness Questionnaire, and as appropriate, a cyber risk assessment. Using this information, Companies and Organizations are then matched to tailored risk mitigation solution options, based on current threat trends across key sectors. Cyber Consultants on staff help build a tailored cyber maturity plan customized to meet business or mission objectives.

As part of the Corporations portfolio of cyber risk online platform and services, WhiteHawk has architected and implemented Cyber Risk Radars and Cyber Risk Programs at U.S. Federal Departments and Fortune 500 Enterprises. Cyber Risk Radars address supply chain risks via Software as a Service (SaaS) platforms. Cyber Risk Programs allow a comprehensive outside-in approach to assess an Enterprise's ongoing cyber risks. WhiteHawk leverages global open data sets integrated with deep cyber and digital age business risk tradecraft. The Corporation brings risk trends to light, providing automated, customized reporting on individual suppliers, companies, and across an entire enterprise portfolio. First and foremost, WhiteHawk enables companies to identify and mitigate their priority cyber risks on an ongoing basis with demonstrated cost and time savings.

1. Cyber Risk Radar provides continuous monitoring, prioritization, and near real-time mitigation of an enterprises' teammates, vendors, or supply chain's cyber risks over time, including the identification and prioritization of a risk mitigation strategy. Cyber Risk Radar is an annual SaaS subscription consisting of quarterly services including Cyber Risk Scorecards, Cyber Risk Portfolio Reports, and ongoing conversations with a professional Cyber Analyst.
2. The WhiteHawk Cyber Risk Program is an outside-in, independent and adversary view, monitoring, identifying, prioritizing, validating, and mitigating cyber risks to a company or organization's revenue and reputation. The program is delivered to the Chief Information Officer (CIO), Executive Team, Chief Executive Officer (CEO), and Board of Directors (BOD). Cyber Risk Program - An outside-in look at monitoring, identifying, prioritizing, validating, and mitigating cyber risks to a company or organization's revenue and reputation. Includes Cyber Risk Continuous Monitoring and Prioritization; Cyber Risk Executive Level Scorecards and Reporting; Cyber Risk Validation by Real-Time Red Team Assessment, and as appropriate, a Dark Net Assessment based upon Cyber Risk Program findings.
3. The WhiteHawk Cyber Risk Scorecard provides an executive level view of cyber risks for a singular company based on open source data, AI analytics, and custom Cyber Consultant commentary. Three tiers of Cyber Risk Scorecards provide for varying depth and detail, available as singular snapshots or continuous coverage over time. Purchase of a Cyber Risk Scorecard includes virtual access to a Cyber Consultant to talk through the identified risk environment and determine actionable, affordable steps to risk mitigation and cyber risk prevention.
4. The Sontiq Business Risk Suite, has WhiteHawk's cyber risk services integrated into one powerful, compelling, affordable and scalable SaaS offering, that addresses Digital Age business risk for the business and their employees to include: Identity Theft, Financial Fraud, Mobile Device Security and Cyber Risk Identification, Prioritization and Mitigation Services.

During the Global Pandemic, the corporation has doubled down on the U.S. Federal Government and Defense Industrial Base Supply Chains and the newly updated regulatory framework of the Cybersecurity Maturity Model Certification (CMMC). Today CMMC is now incorporated into the Corporations online maturity model and scorecard services, as an automated path to a CMMC baseline, for any Federal Contractor or Supplier.

RECENT HIGHLIGHTS

- Implementing new U.S. Federal Government CIO Cyber Risk Radar contract, across 150 Suppliers and options for additional 150 suppliers a year, for a base year and 4 option years (delayed from 2019).
- Finalizing phase 1 of current contract with U.S. Department of Homeland Security (DHS) CISA, as sub-contractor to Guidehouse (formerly PWC Federal) and the scoping of Phase 2 for kick-off October 2020 which involves the continued design, develop, and eventual testing of the QSMO Cybersecurity online Marketplace.
- Automation of Cyber Risk Scorecard product lines via WhiteHawk online platform has resulted in speed and scalability, increasing gross margins.
- Incorporation of the Cybersecurity Maturity Model Certification (CMMC) checklist into the WhiteHawk Cyber Risk online Customer Journey and into all Cyber Risk Scorecards, provides current Defence Industrial Base (DIB) contracted client with an automated path to CMMC for 200 of their Supplier Companies, currently being monitored by our Cyber Risk Radar.

- Cyber Risk Program phase 1 results and recommendations were briefed to the Board of Directors of a Global Manufacturer including: Continuous Cyber Risk Monitoring, Prioritization, quarterly Scorecards and Validation via Real Time Red-Team across 8 business groups. Phase 2 being kicked off in July 2020.
- Scoping conversations continue with 2 strategic Sontiq/WhiteHawk Business Suite offerings via a Managed Service Provider and a global Financial Institution to 5,000 to 140,000 SME current customers, as an annual subscription service.
- Conducting outreach demonstrations and Proofs of Value (POV), across the U.S. Federal Government Departments and Agencies, Fortune 1000 companies and Australian Organizations.
- COVID-19 Impact:
 - No delays in product line development or execution
 - Sales' virtual demos and Proofs of Value are consistently scheduled
 - Continue to experience contract scoping and completion delays of 60 to 90 days, with government and industry procurement teams working dispersed from home.
- WhiteHawk received U.S. Government Pandemic forgivable loan for US\$230K.
- WhiteHawk finishes the 2nd quarter with a strong cash position of US\$1.5M and a strong pipeline of sales contracts.
- Finalized A\$1m Share Purchase Agreement and Equity Swap Agreement (as announced to ASX on 30 January 2020 and 1 July 2020).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the Group's state of affairs occurred during the financial period.

MATTERS SUBSEQUENT TO BALANCE DATE

Significant matters that have occurred subsequent to the balance date include:

- WhiteHawk won a five-year U.S. Government Cyber Risk Radar Contract with annual base of US\$580,000 per annum with contract option of an additional US\$600,000 per annum in services each year, for up to 5 total years;
- Implementation of the Share Purchase Agreement ("SPA") and Equity Sharing Agreement ("ESA") with RiverFort Global Opportunities PPC Ltd for A\$1m on 1 July 2020. Under the SPA, the Group issued 12,987,013 at a placement price of A\$0.077 per share. Under the ESA, RiverFort will make monthly payments to the Group that will aggregate to A\$1m. The monthly payments will be adjustable by 50% of the difference between the aggregate of the 10 lowest daily VWAP in that month and 110% of the placement price (A\$0.0847);
- Issue of 3,000,000 incentive performance rights to an Advisor of the Group. The performance rights were converted into ordinary shares at 1:1 ratio on achievement of the following performance milestones:
 - 1,500,000 vested on the issue date and converted to ordinary shares when the 5-day volume weighted average price (VWAP) of Shares exceeded \$0.13475.
 - 1,500,000 vested on the issue date and converted to ordinary shares when the 5-day volume weighted average price (VWAP) of Shares exceeded \$0.16555.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

- a) The Group's operations in future financial years; or
- b) The results of those operations in future financial years; or
- c) The Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this statement because the directors believe it could potentially result in unreasonable prejudice to the Group.

MATERIAL RISK EXPOSURE

The Board considers that adequate systems are in place to manage the Group's obligations and is not aware of Group's material exposure to economic, environmental and social sustainability risks.

ENVIRONMENTAL REGULATION

The Group's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. The Board considers that adequate systems are in place to manage the Group's obligations and is not aware of any breach of environmental requirements as they relate to the Group.

DIVIDENDS

No dividends were paid to members during the half year ended 30 June 2020 (2019: US \$Nil).

INDEMNIFICATION OF OFFICERS

During the half year ended 30 June 2020 the Group paid premiums in respect of a contract insuring Directors and Executives against a liability incurred in the ordinary course of business.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations instrument to the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration is set out on page 9.

AUDITOR

RSM Australia Partners is the Company's appointed auditor.



Terry Roberts
Chief Executive Officer
28 August 2020

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of WhiteHawk Limited for the half year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS



G N SHERWOOD
Partner

Sydney, NSW

Dated: 28 August 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Notes	For the Six Months Ended 30 June 2020 US\$	For the Six Months Ended 30 June 2019 US\$
Revenue		585,835	284,870
Cost of sales		(277,167)	(170,518)
Gross profit		308,668	114,352
Other income		1,340	90,450
Research and development expenses		(335,640)	(403,372)
Professional expenses		(118,576)	(118,719)
Employee benefits expense		(485,328)	(433,788)
Share based payments expense		(84,060)	(186,058)
IT expenditure		(11,321)	(10,273)
Conference and travel expenditure		(16,700)	(38,112)
Marketing expenditure		(40,774)	(196,230)
Office and occupancy expenses		(21,875)	(41,989)
Amortisation and depreciation		(329,559)	(300,909)
Finance costs		(10,355)	-
General and administration expenses		(124,805)	(122,022)
Loss before income tax		(1,268,985)	(1,646,670)
Income tax expense		-	-
Loss for the period		(1,268,985)	(1,646,670)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation foreign operations		(55,505)	(21,283)
Total comprehensive loss for the period		(1,324,490)	(1,667,953)
Loss per share			
- Basic/diluted losses per share (US cents)		(0.80)	(1.28)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2020**

	Notes	As at 30 June 2020 US\$	As at 31 Dec 2019 US\$
ASSETS			
Current Assets			
Cash and cash equivalents		1,482,096	1,526,785
Trade and other receivables		281,149	392,587
Other assets		191,678	100,187
Total Current Assets		1,954,923	2,019,559
Non-Current Assets			
Property, plant and equipment		179,586	199,015
Intangible assets	3	468,727	764,764
Total Non-Current Assets		648,313	963,779
Total Assets		2,603,236	2,983,338
LIABILITIES			
Current Liabilities			
Trade and other payables		379,181	334,667
Financial liabilities	4	504,520	-
Contract liabilities		432,667	141,350
Lease liabilities		66,005	56,683
Total Current Liabilities		1,382,373	532,700
Non-Current Liabilities			
Lease liabilities		130,673	145,041
Total Non-Current Liabilities		130,673	145,041
Total Liabilities		1,513,046	677,741
Net Assets		1,090,190	2,305,597
EQUITY			
Contributed equity	5	11,200,452	11,175,429
Reserves	6	462,549	433,994
Accumulated losses		(10,572,811)	(9,303,826)
Total Equity		1,090,190	2,305,597

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Notes	Contributed equity US\$	Accumulated losses US\$	Reserves US\$	Total US\$
2019					
At 1 January 2019		8,489,174	(6,554,835)	148,596	2,082,935
Loss for the period		-	(1,646,670)	-	(1,646,670)
Other comprehensive loss		-	-	(21,283)	(21,283)
Total comprehensive loss		-	(1,646,670)	(21,283)	(1,667,953)
<i>Transactions with owners in their capacity as owners</i>					
Issued capital net of issue costs	5	2,686,255	-	-	2,686,255
Performance rights expense		-	-	186,058	186,058
At 30 June 2019		11,175,429	(8,201,505)	313,371	3,287,295
2020					
At 1 January 2020		11,175,429	(9,303,826)	433,994	2,305,597
Loss for the period		-	(1,268,985)	-	(1,268,985)
Other comprehensive loss		-	-	(55,505)	(55,505)
Total comprehensive loss		-	(1,268,985)	(55,505)	(1,324,490)
<i>Transactions with owners in their capacity as owners</i>					
Issued capital net of issue costs	5	25,023	-	-	25,023
Performance rights expense	6	-	-	84,060	84,060
At 30 June 2020		11,200,452	(10,572,811)	462,549	1,090,190

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Notes	For the Six Months Ended 30 June 2020 US\$	For the Six Months Ended 30 June 2019 US\$
Cash flows from operating activities			
Receipts from customers		874,904	134,895
Payments to suppliers and employees		(1,424,761)	(1,431,184)
Interest received		1,329	3,036
Interest paid		-	(11,755)
Government incentives received		6,696	-
Net cash outflow from operating activities	8	(541,832)	(1,305,008)
Cash flows from investing activities			
Payments for plant and equipment		-	(3,750)
Net cash outflow from investing activities		-	(3,750)
Cash flows from financing activities			
Loans from/(to) other entities		61,810	(357,553)
Realised gain on loan facility		-	16,512
Proceeds/(Repayment) of borrowings		488,960	(250,000)
Proceeds from conversion of options		-	14,328
Proceeds from the issue of shares		-	2,639,790
Transaction costs related to issues of loans and shares		(7,473)	(168,871)
Net cash inflow from financing activities		543,297	1,894,206
Net increase/(decrease) in cash and cash equivalents		1,465	585,448
Cash and cash equivalents at the beginning of the period		1,526,785	1,292,191
Foreign exchange adjustment to cash balance		(46,154)	(2,509)
Cash and cash equivalents at end of the period		1,482,096	1,875,130

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of the consolidated entity (referred to hereafter as the 'Group') consisting of WhiteHawk Limited (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the six months ended 30 June 2020.

BASIS OF PREPARATION

These general purpose interim financial statements have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

ACCOUNTING POLICIES

A. Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the half-year interim financial report, the Group incurred a loss after tax of \$1,268,985 (2019: \$1,646,670) and had net cash outflows from operating activities of \$541,832 for the half year ended 30 June 2020 (2019: \$1,305,008). As at that date the Group had net current assets \$572,550 (31 December 2019: \$1,486,859) and net assets of \$1,090,190 (31 December 2019: \$2,305,597). The ability to continue as a going concern is dependent on the company achieving its revenue targets, obtaining additional funding, or a combination of the two.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- If required, the Group has the ability to continue to raise additional funds on a timely basis pursuant to the Corporations Act 2001;
- the Group has the ability to further scale back some of its development activities if required.

Accordingly, the directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

B. New Accounting Standards and Interpretations not yet mandatory or early adopted

Some accounting pronouncements which have become effective from 1 January 2020 and have therefore been adopted do not have a significant impact on the Group's financial results or position.

3. INTANGIBLE ASSETS

	As at 30 June 2020 US\$	As at 31 Dec 2019 US\$
Capitalised website development costs	1,776,227	1,776,227
Accumulated amortisation	(1,307,500)	(1,011,463)
Closing balance	468,727	764,764
Balance at beginning of the period	764,764	1,356,840
Additions	-	-
Amortisation	(296,037)	(592,076)
Balance at end of the period	468,727	764,764

4. FINANCIAL LIABILITIES

Financial liabilities at amortised cost

Current

Paycheck Protection Program Loan (i)	230,000	-
Working capital loan payable (ii)	274,520	-
Closing balance	504,520	-

- (i) In May 2020, the Group received a non-dilutive loan under the US government's Paycheck Protection Plan (PPP) for US\$230,000. The PPP is a disaster relief program in the US providing loans to small businesses for the purposes of paying for payroll, rent and utilities. These small business loans have a loan forgiveness feature that may enable the foregoing of repayment on a portion of the loan amount. The terms of this loan are:

- 1% annual interest rate;
- Funds were to pay payroll expenses to avoid force reductions for eight weeks;
- Loan would be forgivable up to 60% of payroll costs for the eight-week period;
- Loan was repayable at recipient's discretion deferred until November 2020.
- Any outstanding amounts are repayable by 26 April 2022

The Group intends to apply for forgiveness in the second half of 2020.

(ii) In late January 2020, the Company received a working capital loan from RiverFort Global Opportunities PCC Ltd ("RiverFort") amounting to AU\$400,000.

The Debt is interest free and was repaid in full in July 2020.

5. CONTRIBUTED EQUITY

A. SHARE CAPITAL

	As at 30 June 2020		As at 31 December 2019	
	No. of Shares	US\$	No. of Shares	US\$
Ordinary shares				
At the beginning of the period	157,910,295	11,175,429	107,023,340	8,489,174
Issue of shares	-	-	44,157,390	2,650,875
Issue of shares in lieu of services received	485,065	25,023	2,924,560	182,577
Options converted	-	-	205,005	14,510
Performance rights converted	600,000	-	3,600,000	-
Share issue expenses	-	-	-	(161,707)
	158,995,360	11,200,452	157,910,295	11,175,429

Ordinary shares

Each ordinary shareholder maintains, when present in person or by proxy or by attorney at any general meeting of the Company, the right to cast one vote for each ordinary share held.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

B. OPTIONS

As at the balance date, the following options over unissued ordinary shares were on issue:

1. 10,000,000 unlisted options expiring 24 January 2023, exercisable at AU\$0.20 each;
2. 1,987,271 unlisted options expiring 22 October 2020, exercisable at AU\$0.10 each;
3. 6,439,405 unlisted options expiring 26 October 2020, exercisable at AU\$0.10 each;
4. 316,700 unlisted options expiring 31 October 2020, exercisable at AU\$0.10 each;
5. 8,888,889 unlisted options expiring 12 November 2020, exercisable at AU\$0.10 each;
6. 1,500,939 unlisted options expiring 25 November 2022, exercisable at AU\$0.0871 each.

C. PERFORMANCE RIGHTS

As at the balance date, the following performance rights over unissued ordinary shares were on issue:

1. 13,000,000 unlisted performance rights (the "Milestone Rights") convertible into ordinary shares at 1:1 ratio subject to Milestone completion;
2. 1,800,000 unlisted performance rights convertible into ordinary shares at 1:1 ratio. 600,000 performance rights will vest and convert into the equivalent number of shares for each year of service completed by recipient Directors, up to a period of 3 years;
3. 3,000,000 unlisted performance rights convertible into ordinary shares at 1:1 ratio. 1,500,000 performance rights will vest and convert into the equivalent number of shares when the 5-day VWAP of Shares exceeds \$0.1695. 1,500,000 performance rights will vest and convert into the equivalent number of shares when the 5-day VWAP of Shares exceeds \$0.1978.

The 13,000,000 Performance Rights are subject to the following milestones:

- (a) Class A Performance Rights: 4,333,333 convert upon the Company's Share price increasing 100% above the IPO Share price (based on a five (5) consecutive day VWAP), and the Company (either directly or through its subsidiaries, including WhiteHawk US) achieving at least one of the following;
 - (i) consolidated revenues of \$2 million from the WhiteHawk US business; or
 - (ii) 300 customer products; or
 - (iii) 500 online contracts;
- (b) Class B Performance Rights: 4,333,333 convert upon the Company's Share price increasing 200% above the IPO Share price (based on a five (5) consecutive day VWAP), and the Company (either directly or through its subsidiaries, including WhiteHawk US) achieving at least one of the following;
 - (i) consolidated revenues of \$5 million from the WhiteHawk US business; or
 - (ii) 1,000 customer products; or
 - (iii) 2,500 online contracts.
- (c) Class C Performance Rights: 4,333,334 convert upon the Company's Share price increasing 300% above the IPO Share price (based on a five (5) consecutive day VWAP), and the Company (either directly or through its subsidiaries, including WhiteHawk US) achieving at least one of the following;
 - (i) consolidated revenues of \$10 million from the WhiteHawk US business; or
 - (ii) 2,000 customer products; or
 - (iii) 5,000 online contracts.

6. RESERVES

	Option Premium Reserve	Performance Rights Reserve	Foreign Currency Translation Reserve	Total Reserves
Balance at 1 January 2020	-	649,026	(215,032)	433,994
Foreign currency translation differences arising during the period	-	-	(55,505)	(55,505)
Options/Performance rights vesting expense recognised	16,045	68,015	-	84,060
Balance at 30 June 2020	16,045	717,041	(270,537)	462,549

7. SEGMENT INFORMATION

The Group operates in the retail, consulting and business intelligence segments being a business to business (B2B) e-commerce cybersecurity exchange. WhiteHawk CEC Inc is a Delaware, USA corporation with operations based in Alexandria VA, USA and offices in Alexandria VA, USA and Perth, Australia.

This operating segment is monitored by the Group's chief operating decision makers and strategic decisions are made on the basis of adjusted segment operating results. The chief operating decision makers of the Group are the Chief Executive Officer and Chief Financial Officer.

The following tables present certain asset and liability information regarding geographical segments for the period ended 30 June 2020 and 30 June 2019 and this is the format of the information provided to the chief operating decision maker.

Segment performance

	Australia		USA		Total	
	June 2020 US\$	June 2019 US\$	June 2020 US\$	June 2019 US\$	June 2020 US\$	June 2019 US\$
External sales	-	-	585,835	284,870	585,835	284,870
Total segment revenue	-	-	585,835	284,870	585,835	284,870
Segment operating result	(328,827)	(486,205)	(1,186,079)	(1,144,426)	(1,514,906)	(1,630,631)
EBITDA	(328,827)	(486,205)	(600,244)	(859,556)	(929,071)	(1,345,761)
Depreciation and amortisation	-	-	(329,559)	(300,909)	(329,559)	(300,909)
Finance costs	-	-	(10,355)	-	(10,355)	-
Loss before income tax expense	(328,827)	(486,205)	(940,158)	(1,160,465)	(1,268,985)	(1,646,670)
Income tax expense	-	-	-	-	-	-
Loss after income tax expense	(328,827)	(486,205)	(940,158)	(1,160,465)	(1,268,985)	(1,646,670)

Assets and liabilities

	Australia		USA		Total	
	June 2020 US\$	December 2019 US\$	June 2020 US\$	December 2019 US\$	June 2020 US\$	December 2019 US\$
Segment assets	427,597	1,234,434	2,175,639	1,748,904	2,603,236	2,983,338
Segment liabilities	309,418	32,924	1,203,628	644,817	1,513,046	677,741

8. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	For the Six Months Ended 30 June 2020	For the Six Months Ended 30 June 2019
Loss for the period	(1,268,985)	(1,646,670)
Depreciation expense	329,559	300,909
Share-based employee payments expense	84,060	186,058
Share-based supplier payments expense	25,023	219,205
Unrealised foreign exchange	-	(40,228)
Other non-cash transactions	5,535	(87,403)
<i>Change in operating assets and liabilities</i>		
Decrease/(Increase) in trade and other receivables	(38,281)	(13,233)
Increase in trade and other payables	321,257	(223,646)
Net cash outflow from operating activities	(541,832)	(1,305,008)

9. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Significant matters that have occurred subsequent to the balance date include:

- WhiteHawk won a five year U.S. Government Cyber Risk Radar Contract with annual base of US\$580,000 per annum with contract option of an additional US\$600,000 per annum in services each year, for up to 5 total years;
- Implementation of the Share Purchase Agreement ("SPA") and Equity Sharing Agreement ("ESA") with RiverFort Global Opportunities PPC Ltd for A\$1m on 1 July 2020. Under the SPA, the Group issued 12,987,013 at a placement price of A\$0.077 per share. Under the ESA, RiverFort will make monthly payments to the Group that will aggregate to A\$1m. The monthly payments will be adjustable by 50% of the difference between the aggregate of the 10 lowest daily VWAP in that month and 110% of the placement price (A\$0.0847).
- Issue of 3,000,000 incentive performance rights to an Advisor of the Group. The performance rights were converted into ordinary shares at 1:1 ratio on achievement of the following performance milestones:
 - 1,500,000 vested on the issue date and converted to ordinary shares when the 5-day volume weighted average price (VWAP) of Shares exceeded \$0.13475.
 - 1,500,000 vested on the issue date and converted to ordinary shares when the 5-day volume weighted average price (VWAP) of Shares exceeded \$0.16555.

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

- a) The Group's operations in future financial years; or
- b) The results of those operations in future financial years; or
- c) The Group's state of affairs in future financial years.

DECLARATION BY DIRECTORS

In the directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 19 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Group as at 30 June 2020 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date;
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that WhiteHawk Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Terry Roberts
Chief Executive Officer and Chair
28 August 2020

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF WHITEHAWK LIMITED**Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

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www.rsm.com.au**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of WhiteHawk Limited which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 30 June 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of WhiteHawk Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of WhiteHawk Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of WhiteHawk Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1A in the half-year financial report, which indicated that the Group incurred a loss after tax of \$1,268,985 (2019: \$1,646,670) and had net cash outflows from operating activities of \$541,832 for the half year ended 30 June 2020 (2019: \$1,305,008). As at that date the Group had net current assets \$572,550 (31 December 2019: \$1,486,859) and net assets of \$1,090,190 (31 December 2019: \$2,305,597). The ability to continue as a going concern is dependent on the company achieving its revenue targets, obtaining additional funding, or a combination of the two. As stated in Note 1A, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

RSM

RSM AUSTRALIA PARTNERS


GNS

G N Sherwood
Partner

Sydney, NSW
Dated: 28 August 2020