



FOR IMMEDIATE RELEASE

30 January 2020

A\$400,000 Working Capital Loan Facility A\$1.5m Share Placement combined with an Equity Swap to an Institutional Investor

Highlights

- **A\$400,000 Loan from Institutional Investor, RiverFort Global Opportunities PCC Ltd ("RiverFort") as a short term working capital loan facility to smooth working capital in support of potential new contracts.**
- **Combined Placement and Equity Swap of A\$1.5m with Riverfort, subject to shareholder approval at the Company's AGM to be held in May 2020.**
- **WhiteHawk has entered into the Equity Swap in the expectation that rising revenues and potential additional 360 Cyber Risk Review contracts with US Federal Government and US corporations in the insurance, utility, defense and financial sectors will enable a rising share price from which WhiteHawk can benefit under the Equity Swap.**
- **WhiteHawk has to date received an amount under the January 2019 Equity Swap with RiverFort of over A\$60,000 above the original January 2019 placement amount.**

Perth, WA and Alexandria, VA – WhiteHawk Limited (ASX:WHK) ("WhiteHawk or "the Company"), the first global online cyber security exchange enabling small-to-medium businesses to take smart action against cybercrime, is pleased to advise that it has entered into an unsecured loan agreement with institutional investor, RiverFort Global Opportunities PPC Ltd (Cell A) ("RiverFort") pursuant to which RiverFort has agreed to advance an amount of A\$400,000 to the Company ("Loan"). The Loan will provide additional working capital support for near term new contacts.

The material terms of the Loan are as follows:

Advance:	A\$400,000
Interest:	No interest save for any applicable default Interest.
Advance Date:	Within 10 Business Days of 29 January 2020
Repayment Date:	The later of 4 calendar months after the Advance Date or the date of the Company's Annual General Meeting (but no later than 29 May 2020). The Advance together with any interest ("Debt") may be repaid prior to the Repayment Date with no penalty.
Drawdown Fee:	9.5% of the Advance which is payable by the following means: <ul style="list-style-type: none">(a) through the issue of that number of fully paid ordinary shares calculated by dividing the volume weighted average price of shares



on the 5 trading days prior to the Advance Date by the Drawdown Fee; or

- (b) by a combination of issuing shares (using the same calculation as set out in (a) above) and payment of cash to be deducted from the Advance; or
- (c) in cash to be deducted from the Advance,
at the election of the Company.

The Company confirms that as at the date of the Loan agreement it has sufficient placement capacity under ASX Listing Rule 7.1 to issue the Drawdown Fee as calculated in accordance with (a) and (b).

Options:

Subject to the Company obtaining shareholder approval at its AGM to be held in May 2020, RiverFort will be issued 80,000 unlisted options exercisable at a 40% premium to the Company's VWAP on the trading day immediately prior to the date of the meeting and expiring 30 months from the date of issue.

In the event shareholder approval is not obtained, RiverFort is to be paid \$40,000 in cash in lieu of the above options.

Security:

None

Other:

If, prior to the Repayment Date, the Company and RiverFort enter the SPA and ESA (each defined below) and the conditions precedent to those agreements are satisfied, the Repayment Date may be extended by 12 months from the date the conditions to those agreements are satisfied if not paid out in cash. In the event the Repayment Date is extended, a facility extension fee of 1% of the outstanding portion of the Debt for each month of the extended term will be payable.

If the Repayment Date is extended, repayment will be amortised over the 12 month period in monthly amounts equal to 50% of the monthly payments to be made by RiverFort to the Company under the ESA.

WhiteHawk has a strong balance sheet with US\$1.5m cash held as at 31 December 2019. The Loan will provide additional working capital in the event that a number of sales pipeline contracts are awarded contemporaneously, requiring short term additional working capital for contract mobilisation.

Share Placement and Equity Swap

The Company is also advised that it has negotiated the terms of a A\$1.5m share placement and equity swap with RiverFort which is intended to provide the Company with additional medium term funds for working capital, if required.

To affect the share placement, the Company has entered into a share purchase agreement ("SPA") with RiverFort pursuant to which RiverFort agrees to subscribe for A\$1.5m worth of fully paid ordinary



shares in the Company at an issue price to be agreed immediately prior to the issuance of the notice of AGM ("Placement Price") ("Placement"). The Placement is subject to and conditional on the Company obtaining shareholder approval to complete the Placement. There is no obligation on WhiteHawk to make the Placement and it may not be made if growing revenues are sufficient for any additional working capital needs at that time.

To affect the equity swap, the Company has entered into an equity sharing agreement with RiverFort ("ESA").

The ESA has a term of 12 months but may be extended or settled earlier depending on ASX monthly market trading volumes of WhiteHawk shares.

Whilst the SPA and ESA are two separate agreements, the arrangements are co-dependant and WhiteHawk has agreed to a net set off of Riverfort's obligations under the Placement with the Company's obligation to pay Riverfort A\$1.5m under the ESA, meaning that the Company will apply A\$1.5m from the Placement directly into the equity swap.

The ESA provides that RiverFort must make monthly payment to Company which, when aggregated, will equal to A\$1.5m ("Monthly Payment").

WhiteHawk will receive the Monthly Payment plus an amount that represents 50% of the difference between 110% of the Placement Price ("Benchmark Price") and the market price for a month calculated on an aggregate of 10 daily volume weighted average prices in that month ("Market Price"). Conversely, if the Market Price is below the Benchmark Price in that month, then WhiteHawk would receive that months portion of the Principal Amount less the difference between the Market Price and Benchmark Price.

The SPA contains selling restrictions and volume limits on any share sales by RiverFort during the term of the ESA and RiverFort may vary the timing and amount of any share sales. Where, as a result of the difference in the Benchmark Price and the Market Price, the Company would be required to pay an amount to Riverfort for that month, the total amount payable by the Company under the ESA is capped at \$50,000.

The Placement is subject to shareholder approval and the equity swap, by virtue of being conditional on the Placement proceeding, is also inter-conditional on such approval being obtained. The Company will include full summaries of the SPA and ESA in its notice of AGM, when shareholder approval is sought.

The Placement and Equity Swap were arranged by Viaticus Capital LLC, as advisor to WhiteHawk, for which it will receive a 1% transaction management fee. RiverFort will receive a 5% placement fee if the Placement is made.

This announcement has been authorised for lodgement to ASX by Terry Roberts, Chief Executive Officer and Executive Chair, WhiteHawk Limited.

-ENDS-



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About WhiteHawk

Launched in 2016, WhiteHawk began as a cyber risk advisory service with a vision to develop the first online self-service, cyber security exchange, simplifying how companies and organizations discover, decide, and purchase cyber security solutions that directly mitigate their key cyber business risks. Today, we help US companies to connect to content, solutions, and service providers through evolving our rich data and user experience. WhiteHawk is a cloud-based cyber security exchange platform that delivers virtual consultations, Artificial Intelligence Cyber Risk Profile's that immediately match SME customers to tailored 'solutions on demand. The platform enables customers to leverage their tailored Security Story to find affordable and impactful cyber tools, content, and relevant services through our algorithms and expertise, to better understand how to improve and stay ahead of today's cyber threats. The Platform enables companies to fill their needs on an ongoing basis with demonstrated cost and time savings. For more information, visit www.whitehawk.com.

About RiverFort Global Capital

Riverfort Global Capital Ltd ('RiverFort') is a London based UK Institutional Investment Manager investing in high growth companies. RiverFort is the Investment Manager of RiverFort Global Opportunities PCC Ltd – A Gibraltar based Experienced Investor Fund, authorised and regulated by the Gibraltar Financials Service Commission.

Riverfort provides comprehensive and innovative growth funding solutions to publicly listed and private companies across a range of sectors. With extensive industry knowledge and experience RiverFort prides itself in creating win-win-win partnerships between our alternative funding sources, including family office co-investors, and investee companies RiverFort believes in.

RiverFort is authorised and regulated by the UK Financial Conduct Authority.