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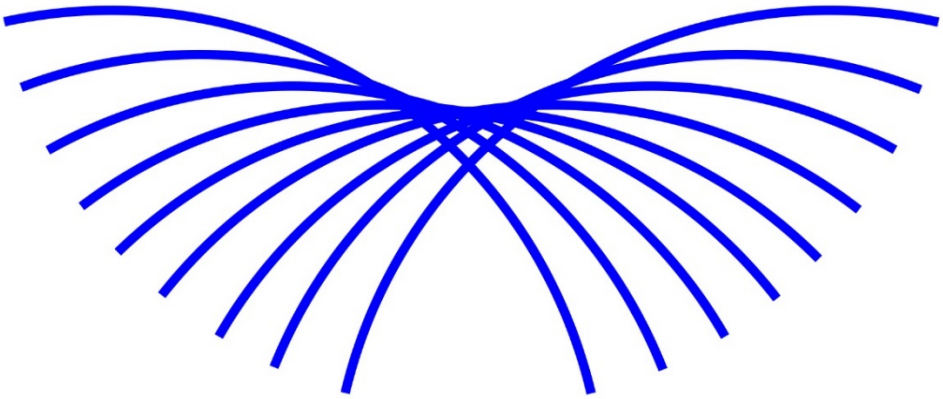
2019



WHITEHAWK

FOR THE PERIOD ENDED

31 DECEMBER 2019

APPENDIX 4E Cover Letter

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WhiteHawk Limited (ASX: WHK) ("WhiteHawk" or "the Company"), 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, is pleased to present Appendix 4E a preliminary final report for the period ended 31 December , 2019.

HIGHLIGHTS:

- ⇒ WhiteHawk posted just over US$1M in revenue for 2019, an increase of 103% over 2018 revenue and a reduction of 21% on the overall loss compared to 2018. Renewals of WhiteHawk's Cyber Risk Radar, formerly 360 Framework, accounted for US$867K and US $161K in government contracting. Renewals of Cyber Risk Radar were with a U.S. Top 12 Defense Industrial Base customer and U.S. Top 10 Financial Institution.
- ⇒ Advancing our Sontiq/WhiteHawk Business Suite strategic partnership offering, for major Financial Institutions and Insurance Groups to service their SME customers, with business and cyber risk SaaS services, scorecards and risk mitigation. This suite is a scalable, easy to implement and comprehensive Digital Age risk offering at an affordable price and impactful margins, with two contracts in development.
- ⇒ 2020 Cybersecurity Maturity Management Certification (CMMC) regulations for all Federal Contractors has reinvigorated and made urgent implementation of WhiteHawk Cyber Risk Radar's which provide an automated path to CMMC.
- ⇒ Positioning our WhiteHawk Cyber Risk Radar product across the US Defense Industrial Base and key U.S. Federal Government Departments (as the AI Driven and automated approach to track and implement Cyber Resilience across over 330,000+ companies) has put us at the forefront of enabling all U.S. Federal government contractors to meet the new 2020 Cybersecurity Maturity Management Certification (CMMC) Levels and proposals with two Top Tier Defense Industrial Base companies concerning their suppliers and vendors are now in review.
- ⇒ WhiteHawk has continued a lean approach to operating expenses and R & D for the year.
- ⇒ Phase 1 implementation of 360 Cyber Risk Framework for U.S. Government has resulted in substantial maturation and automation of the WhiteHawk Cyber Risk Scorecard scalable product line that will benefit all WhiteHawk customers. Phase 2 scoping of this contract is in progress.
- ⇒ 2019 kick-off of Cyber Solution partnerships with 3 top Defense Industrial Base Companies, providing cyber innovation services to large US Federal government CIO contract proposals, were delayed but are now starting to execute for the next 4 years with first revenues coming in Q1 2020.

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⇒ Technical and Data Science Team continue to advance online platform functionality, AI based online customer journey, maturity model and cyber risk scorecards benchmarks.

⇒ Subsequent to the year-end 2019, the Company has the following financing facilities available in 2020:

- As at 31 December 2019, A$116,667 Is payable to the Company under an Equity Swap Agreement as per the ASX announcement dated 5 February 2019.
- As per the ASX announcement dated 30 January 2020, A$400,000 working capital loan facility Is available to the Company
- As per the ASX announcement dated 30 January 2020, A$1.5m Is available to the Company as a placement by the Company that will be placed into an equity swap in equal Installments over 12 months. The placement by Is subject to share shareholder approval to be obtained at the AGM in May 2020.

⇒ The loan, together with share placement and the equity swap agreement for A$1.5m (both subject to shareholder approval) with a UK Institutional Investors serves as a bridge to revenues in case of any unforeseen delay.

⇒ WhiteHawk finishes 2019 with a strong balance sheet, including a cash balance of US$1.5M.

OUTLOOK:

As a result of product and sales channel development and refinement since our initial investments in 2018 and 2019, WhiteHawk is now strategically positioned for growth in 2020:

- Our Product Lines – based upon customer feedback and iterative in-house development.
- We have assembled the key multidisciplinary skillsets and optimized our team and their execution.
- Successfully automated, scaled and optimized for margins our key products:
  - Cyber Risk Radar
  - Online Customer Journey & Cyber Risk Scorecard
  - Cyber Risk Program
- Our sales channels have been optimised – what works near-term, what has not worked near term, and what we can nurture and leverage longer term.
- We are honing our Product Line marketing materials, video demos and splash pages for ease of engagement and speed of sales generation.
- While our strategy of using key US Federal Government contracts in place has delivered revenues in our Cyber 360 Risk Review product, we have not yet seen a follow-on benefit of delivering customers to our online decision engine marketplace quickly as we expected. We see this as a timing issue, primarily because of the longer ramp up and initiation phases of large US Government Departments and Prime

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Contractor execution. We now have major work coming up that will start to deliver revenues on not just the risk review products but also the online decision engine marketplace.

- We expect additional Cyber Risk Radar contracts across the US Defense Industrial Base and key U.S. Federal Government Departments (as the AI Driven and automated approach to track and implement Cyber Resilience across over 330,000+ companies) by positioning WhiteHawk at the forefront of enabling all U.S. Federal government contractors to meet the new 2020 Cybersecurity Maturity Management Certification (CMMC) Levels.
- Large pipeline of contract opportunities across the US Defense and Industrial base, US Federal Government, US Financial Institutions and more recently sales efforts in the US Insurance sector have the potential to deliver significantly increased recurring revenues in 2020.

Our primary areas of focus for the 1st QTR 2020:

1. Kick off Phase 1 of the Sontiq/EZShield/WhiteHawk SMB SaaS Services to one of two Tier 1 Financial Institutions (currently in advanced discussions) across their respective business customers. The aim is to enable a scaling of our online services to thousands of SMB's or Family Offices in 2020.
2. In sync with the new U.S. Federal Government CMMC 2020 policies, to advance the 4 mature Cyber Risk Radar proposal conversations with Top Tier Defense Industrial Base Companies, with the aim of delivering 1-2 new contracts early in 2020.
3. Deliver major tasks on 3rd U.S. Government contract in 2020, and fully execute on our other U.S. Government contracts by seeking to prioritise this work in the time frames and workflows scheduled by the respective Prime Contractors.

WhiteHawk has a strong balance sheet with US$1.5M cash held as of 31 December 2019 together with additional available cash facilities put in place post year end.

About WhiteHawk

Launched in 2016, WhiteHawk began as a cyber security advisory service with a vision to develop the first self-service Cybersecurity Exchange, simplifying how businesses discover, decide, and purchase cyber security solutions that address their key cyber risks affordably and effectively. Today, WhiteHawk is 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.

As part of the WhiteHawk portfolio of cyber risk online platform and services, we have architected and implemented Cyber Risk Radars and Cyber Risk Programs at U.S.

Federal Departments and Fortune 500 Enterprises. Cyber Risk Radars provide 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. We bring risk trends to light, providing automated, customized reporting on individual suppliers, companies, and across an entire enterprise portfolio.

For more information, please visit www.whitehawk.com or please contact:

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Malachi Walker
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WhiteHawk investor inquiries (AUS)
Kevin Kye
investors@whitehawk.com

Disclosure Statement

The Additional Information to Appendix 4E Preliminary Final Report ("the Additional Information") is given in summary form and does not purport to be complete. The Additional Information 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 Additional Information 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 Additional Information, 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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Appendix 4E

Preliminary final report

Name of entity:

WhiteHawk Limited

ABN or equivalent company reference:

97 620 459 823

1. Reporting period

Reporting period:	Previous corresponding period:
Year ended 31 December 2019	Year ended 31 December 2018

2. Results for announcement to the market

					Current Period 2019 US$
2.1	Revenue from ordinary activities	Up	**103.1%**	to	**1,028,846**
2.2	Loss from ordinary activities for the period after tax attributable to members	Down	**21.0%**	to	**2,748,991**
2.3	Net loss for the period attributable to members	Down	**21.0%**	to	**2,748,991**

2.4 Dividends	Amount per security	Franked amount per security
Final dividend	**Nil**	**N/A**
Interim dividend	**Nil**	**N/A**

2.5 Record date for determining entitlements to the dividends	**N/A**

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2.6 Brief explanation of any of the figures reported above to enable the figures to be understood:

Revenue and loss from ordinary activities is attributable to:

- Revenue traction for the Cyber Risk Radar (formerly 360 Framework) sales channel in US Government, US Defense Industrial Base and US Financial Institution markets, resulting in increased revenues over last year from US$498K in 2018 to US$867K in 2019; Government contracting provided US$161K of 2019 revenue.
- Revenue from customers being serviced via the WhiteHawk Cybersecurity Exchange is expected to grow at a faster rate in 2020 following a partnership with Sontiq/EZShield to develop and market a SME subscription product.
- Cost of Goods Sold (COGS) is directly related to sales of Cyber Risk Radar and government contracting.
- Research and Development expense allowed the company to add to and expand a high performance, small in house technical team, in order to scale, secure and operate the WhiteHawk online platform, Customer Journey, automate the WhiteHawk Scorecard (customer deliverable) and continue to improve the WhiteHawk Marketplace, website and AI risk tool (CyberPath).
- Delays in U.S. Government execution of contracts won in 2018, will result in some 2019 expected revenues rolling over into 2020.
- Ordinary activities loss includes the following non-cash expense:
    - US$613K which relates to the amortization of Website Development Costs and capital equipment.
    - Vesting expense on non-cash share-based payments.
- Sales and marketing efforts resulted in development of new product lines in 2019, WhiteHawk/Sontiq Business Suite annual subscription and the Cyber Risk Program for Enterprises.
- Professional expenses include ongoing patent and trademark efforts in US, Australia and China. The U.S. Patent office has published WhiteHawk's Patent Application – US-202-0043026-A1.
- WhiteHawk has continued to prudently automate and scale all online product lines and virtual services across the Cybersecurity Exchange platform, dramatically advancing the online Cyber Risk customer journey, maturity model, Scorecards, and Marketplace and their pricing and margins. With the extensive product line experience from 2019, WhiteHawk has now honed which Sectors and what Product Lines are best matched, updating our priorities for 2020 accordingly.

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3. Consolidated Statement of Comprehensive Income

	Current Period 31 Dec 2019 US$	Previous Period 31 Dec 2018 US$
Revenues from continuing operations	**1,028,846**	506,529
Cost of goods sold	**(521,602)**	(365,537)
Gross profit	**507,244**	140,992
Other income	**54,302**	13,359
Professional expenses	**(268,666)**	(387,226)
Research and development expense	**(695,911)**	(720,815)
Employee benefits expense	**(826,579)**	(962,250)
Share based payments expense	**(327,598)**	(302,532)
IT expenditure	**(19,215)**	(20,017)
Conference and travel expenditure	**(51,938)**	(87,220)
Marketing expenditure	**(198,618)**	(292,095)
Office and occupancy expenses	**(79,973)**	(138,852)
Depreciation and amortisation	**(612,723)**	(431,460)
Finance costs	**(4,946)**	(5,075)
General and administration expenses	**(224,370)**	(286,323)
Loss before income tax	**(2,748,991)**	(3,479,514)
Income tax (expense) / benefit	**-**	-
Loss after income tax expense from continuing operations	**(2,748,991)**	(3,479,514)
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations, net of tax	**(42,200)**	(19,224)
Total other comprehensive income	**(42,220)**	(19,224)
Total comprehensive loss for the year	**(2,791,191)**	(3,498,738)
Attributable to:		
Members of the Parent Company	**(2,791,191)**	(3,498,738)
Basic loss per share	**(US$0.02)**	(US$0.05)
Diluted loss per share	**(US$0.02)**	(US$0.05)

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4. Consolidated Statement of Financial Position

	Current Period 31 December 2019 US$	Previous Period 31 December 2018 US$
Current Assets		
Cash and cash equivalents	**1,526,785**	1,292,191
Trade and other receivables	**392,587**	213,185
Other current assets	**100,187**	-
Total Current Assets	**2,019,559**	1,505,376
Non-Current Assets		
Property, plant and equipment	**199,015**	13,485
Intangible assets	**764,764**	1,356,840
Total Non-Current Assets	**963,779**	1,370,325
Total Assets	**2,983,338**	2,875,701
Current Liabilities		
Trade and other payables	**334,667**	281,111
Financial liabilities	**-**	261,755
Contract liabilities	**141,350**	249,900
Lease liabilities	**56,683**	-
Total Current Liabilities	**532,700**	792,766
Non-Current Liabilities		
Lease liabilities	**145,041**	-
Total Non-Current Liabilities	**145,041**	-
Total Liabilities	**677,741**	792,766
Net Assets	**2,305,597**	2,082,935
Equity		
Issued capital	**11,175,429**	8,489,174
Reserves	**433,994**	148,596
Accumulated losses	**(9,303,826)**	(6,554,835)
Total Equity	**2,305,597**	2,082,935

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5. Consolidated Statement of Cash Flows

	Current Period 31 December 2019 US$	Previous Period 31 December 2018 US$
Cash flows from operating activities		
Receipts from customers	**824,011**	648,122
Payments to suppliers and employees	**(2,721,191)**	(3,117,802)
Interest received	**6,729**	9,897
Interest and other costs of finance paid	**(11,755)**	-
Net cash used in operating activities	**(1,902,206)**	(2,459,783)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(9,398)**	-
Website development costs paid	**-**	(489,903)
Net cash used in investing activities	**(9,398)**	(489,903)
Cash flows from financing activities		
Proceeds from issue of shares	**2,639,790**	1,148,309
Proceeds for exercise of options	**14,328**	-
Repayment of borrowings	**(250,000)**	-
Loans to other entities	**(57,289)**	-
Transaction costs related to issues of shares and options	**(168,871)**	(560,740)
Net cash provided by financing activities	**2,177,958**	587,569
Net increase in cash held	**266,354**	(2,362,117)
Cash and cash equivalents at the beginning of the year	**1,292,191**	3,681,997
Effects of exchange rate changes on cash	**(31,760)**	(27,689)
Cash and cash equivalents at the end of the year	**1,526,785**	1,292,191

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6. Consolidated Statement of Changes in Equity

	Issued capital US$	Reserves US$	Accumulated losses US$	Total US$
Balance at 1 January 2019	**8,489,174**	**148,596**	**(6,554,835)**	**2,082,935**
Loss for the year	-	**-**	**(2,748,991)**	**(2,748,991)**
Other comprehensive income	-	**(42,200)**	**-**	**(42,200)**
Total comprehensive loss for the year	-	**(42,200)**	**(2,748,991)**	**(2,791,191)**
Transactions with owners in their capacity as owners:				
Issued capital net of issued costs	**2,686,255**	**-**	**-**	**2,686,255**
Performance rights expense	**-**	**327,598**	**-**	**327,598**
Balance at 31 December 2019	**11,175,429**	**433,994**	**(9,303,826)**	**2,305,597**
Balance at 1 January 2018	7,299,960	(134,822)	(3,075,321)	4,089,817
Loss for the year	-	-	(3,479,514)	(3,479,514)
Other comprehensive income	-	(19,224)	-	(19,224)
Total comprehensive loss for the year	-	(19,224)	(3,479,514)	(3,498,738)
Transactions with owners in their capacity as owners:				
Issued capital net of issued costs	1,189,214	-	-	1,189,214
Performance rights issued	-	302,642	-	302,642
Balance at 31 December 2018	8,489,174	148,596	(6,554,835)	2,082,935

7. Dividends (in the case of a trust, distributions)

Date dividend is payable	N/A
+Record date to determine entitlements to the dividend	N/A
If it is a final dividend, has it been declared?	N/A

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Amount per security

	Amount per security	Franked amount per security at 30% tax (see note 4)	Amount per security of foreign source dividend
Final dividend: Current year	NIL	N/A	N/A
Interim dividend: Current year	NIL	N/A	N/A

Total dividend (distribution) per security (interim *plus* final)

	Current period	Previous Period
Ordinary securities	**N/A**	N/A
Preference securities	**N/A**	N/A

8. Dividend or distribution plans in operation

N/A

The last date(s) for receipt of election notices for the +dividend or distribution plans	N/A

9. Consolidated accumulated losses

	Current Period 2019 US$	**Previous Period 2018 US$**
Accumulated losses at the beginning of the financial period	**(6,554,835)**	(3,075,321)
Net loss attributable to members	**(2,748,991)**	(3,479,514)
Accumulated losses at end of financial period	**(9,303,826)**	(6,554,835)

10. NTA backing

	Current Period 2019 US$	**Previous Period 2018 U$**
Net tangible asset backing (deficiency) per ordinary share	**0.010**	0.007

11. Significant information

Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position:

Refer to cover letter to Appendix 4E Preliminary Final Report and Section 13.3 to 13.6 of this document.

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12. Foreign entities set of accounting standards used in compiling the report (IAS)

The Company is not a foreign entity. Australian Accounting Standards have been applied consistently across all entities in the Group.

13. Commentary on the results for the period

13.1 Earnings per security (EPS)

	Current Period 2019	Previous Period 2018
Basic Loss per share	**(US$0.02)**	(US$0.05)

13.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2019 US$	Previous Period 2018 US$
Ordinary securities	-	-
Preference securities	-	-
Other equity instruments	-	-
Total	**-**	**-**

The dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions).

N/A

13.3 Significant features of operating performance

Operations for 2019 resulted in the following revenues and expenses:

- The Cyber Risk Radar (formerly 360 Framework) sales channel had increased traction in Defense Industrial Base and Financial Institution markets, resulting in a significant increase in revenue over last year.
- Customer insight and acquisition resulted in an assessment of the needs and buying behaviors of customers across all business sectors, resulting in 2 new sales channels – the WhiteHawk Sontiq/EZShield Business Suite annual subscription and the Cyber Risk Program for Enterprises.
- Large portion of expenditures relate directly to product line research, development and automation, resulting in scalability and improved margins in 2020 and beyond. WhiteHawk has achieved independence from expensive outsourced development which proved inadequate to meet product line benchmarks and deliverables related to website

usability, automated Cyber Risk Scorecards and maturing of a seamless online customer journey and an advanced AI based risk tool (CyberPath) with mapping to solution options;

- Product Line marketing and communications consultant was contracted to guide WhiteHawk Product alignment, lexicon, website splash pages and customer messaging and marketing materials.
- WhiteHawk optimized the lean approach to expenses in 2019, working diligently with Cyber Risk Radar partners to successfully lower unit costs and improve gross margins and scalability;
- Commencing with 2019 operations, WhiteHawk recognized a full year of amortization expense of capitalized software development costs;
- Vesting expense on non-cash share-based payments were recognized;
- WhiteHawk invested in all key Product Lines has resulted in a tight, effective portfolio of offerings that are compelling, impactful, affordable and scalable. As benchmarks were achieved WhiteHawk transitioned to a leaner, highly functioning team of 13 for the last half of 2019, focusing on customer acquisition and deliverables.

13.4 Segment Information

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

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 31 December 2019 and 31 December 2018 and this is the format of the information provided to the chief operating decision maker

	Australia		**USA**		**Total**	
	Dec 2019 US$	**Dec 2018 US$**	**Dec 2019 US$**	**Dec 2018 US$**	**Dec 2019 US$**	**Dec 2018 US$**
External sales	-	-	1,028,846	506,529	1,028,846	506,529
Total segment revenue	-	-	1,028,846	506,529	1,028,846	506,529
Segment operating result	(854,275)	(817,103)	(1,277,047)	(2,225,876)	(2,131,322)	(3,042,979)
EBITDA	(854,275)	(817,103)	(1,277,047)	(2,225,876)	(2,131,322)	(3,042,979)
Depreciation and amortisation	-	-	(612,723)	(431,460)	(612,723)	(431,460)
Finance costs	-	-	(4,946)	(5,075)	(4,946)	(5,075)
Loss before income tax	(854,275)	(817,103)	(1,894,716)	(2,662,411)	(2,748,991)	(3,479,514)
Income tax expense	-	-	-	-	-	-
Loss after income tax expense	**(854,275)**	**(817,103)**	**(1,894,716)**	**(2,662,411)**	**(2,748,991)**	**(3,479,514)**

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Segment assets	1,234,434	295,442	1,748,904	2,580,259	2,983,338	2,875,701
Segment liabilities	32,924	36,761	644,817	756,005	677,741	792,766

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13.5 Report on trends in performance

Cashflows

Subsequent to the ASX Announcement on 12 November 2018, WhiteHawk successfully completed Entitlements Offer raising AUD$1.6M before costs. As a follow up to placement to Institutional Investor RiverFort, which was directed into an Equity Swap with monthly proceeds based upon the initial capital invested plus 50% of any amount from share sales by RiverFort above a benchmark but reduced by amounts where the share sale price for the month was less than the placement price. The Equity Swap unwound over 12 months and resulted in US$60K premium received by WhiteHawk as described above.

Operating cash outflows were compatible to the prior financial year as the Group invested in priority technical and delivery capabilities of its Marketplace online platform while taking a lean approach to expenses.

The Company has the following financing facilities available in 2020:

(a) As at 31 December 2019, AUD$116,667 is payable to the Company under an Equity Swap Agreement as per the ASX announcement dated 5 February 2019.
(b) As per the ASX announcement dated 30 January 2020, AUD$400,000 working capital loan facility is available to the Company.
(c) As per the ASX announcement dated 30 January 2020, AUD$1.5m is available to the Company as a placement by the Company that will be placed into an equity swap repayable to the Company in equal instalments over 12 months. The placement is subject to shareholder approval to be obtained at the AGM in May 2020.

Revenue

2019 revenues increased greatly over last year, primarily generated through sale of Cyber Risk Radars (formerly 360 Framework). WhiteHawk continues to execute three primary sales channels, the Cyber Risk Radar, the online Cybersecurity Exchange and commercial cyber solutions to major U.S. Government Contractors. Two new product lines were introduced in 2019, WhiteHawk Sontiq/EZShield SME Suite and Cyber Risk Program

Expenses

WhiteHawk invested in all key customer deliverables of the online Cybersecurity Exchange, after the ASX listing in 2018, improving the website, expanding the online Marketplace, the AI Risk Profile and the customer online journey, while expanding sales channels to target Financial Institutions, the Defense Industrial Base, Utilities, and the Insurance Industry. WhiteHawk worked with Cyber Risk Radar vendor partners to reduce per unit costs and improve gross margin. WhiteHawk expanded to a high of 18 Full Time Employees. As benchmarks were achieved WhiteHawk transitioned to a lean, highly functioning team of 13 for the last half of 2019, focusing on customer acquisition and deliverables. The large movement in the profit from ordinary activities after tax is attributable to increased costs incurred and are attributable to:

- Amortization recognized for the full financial year of capitalized website development costs;
- Customer acquisition and sales campaigns beginning in the current year;
- Vesting expense on non-cash share-based payments;
- Increased employee benefits expense due temporary expansion of staff

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Balance Sheet

Strong balance sheet position with US$1.5m cash held as at 31 December 2019, together with financing facilities available, allows the company to execute additional Cyber Risk Radar contracts, a push into the Global Insurance sector with new product line WhiteHawk Sontiq/EZShield annual subscription and channel marketing of the WhiteHawk Exchange, and the online Decision Engine based Cyber Security Marketplace.

WhiteHawk's outlook is utilising the results of the customer engagement survey conducted earlier in 2018 and shifting the sales focus to the U.S. Defense Industrial Base and U.S. Federal Government for sales of the Cyber Risk Radar and to strategic partnership proposals with U.S. Financial Institutions and Insurance Groups for SME customer services. In addition, the U.S. Defense Industrial Base, US Government supply chain, vendor company risk regulations and business drivers currently in place to implement Risk Radars in a timely fashion, is proving to be a more mature and robust sales channel. WhiteHawk as introduced a new product line Cyber Risk Program to provide to cybersecurity consulting firms WhiteHawk cyber analyst assessments as a tool for consulting firms to guide their clients to cyber risk resiliency.

13.6 Report any factors which have affected the results during the reporting period or which are likely to affect results in the future, including those where the effect could not be quantified.

- The Company renewed two sales of the Cyber Risk Radar (formerly 360 Cyber Risk Framework) with existing Financial Sector and Defense Industrial Base companies, extending Cyber Risk Radar services into the first quarter of 2020 and one Cyber Risk Radar to Defense Industrial Base company in last quarter of 2019. One of the target Radars has 150 companies which is connecting WhiteHawk with 150 Business customers.
- Current regulatory environment across the Federal U.S. Government regarding CMMC, is reinvigorating Defense Industrial Base pipeline of Cyber Risk Radar customers seeking to meet the 2020 and 2021 benchmarks.
- WhiteHawk's 6-month platform integration with Sontiq/EZShield and the joint marketing partnership is resulting in mature contract proposals across the Insurance and Financial Industries that are annual SaaS subscriptions that scale to thousands of companies in need of Digital Age Risk Virtual Services.
- The Company has the following financing facilities available

  a) As at 31 December 2019, AUD$116,667 is payable to the Company under an Equity Swap Agreement as per the ASX announcement dated 5 February 2019
  b) As per the ASX announcement dated 30 January 2020, AUD$400,000 working capital loan facility is available to the Company
  c) As per the ASX announcement dated 30 January 2020, AUD$1.5m is available to the Company as a placement by the Company that will be placed into an equity swap repayable to the Company in equal instalments over 12 months. The placement is subject to shareholder approval to be obtained at the AGM in May 2020.

Any other information required to be disclosed to enable the reader to compare the information presented with equivalent information for previous periods. This must include information needed by an investor to make an informed assessment of the entity's activities and results.

N/A

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14. Compliance statement

This report is based on accounts to which one of the following applies.
(Tick one)

	The accounts have been audited.	The accounts have been subject to review.
✓	The accounts are in the process of being audited or subject to review.	The accounts have not yet been audited or reviewed.

15. If the accounts have not yet been audited or subject to audit review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

The report is based upon the accounts which are in the process of being audited, but the company does not anticipate any dispute or qualification.

16. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

The report is based upon the accounts which are in the process of being audited, but the company does not anticipate any dispute or qualification.

Sign here: ..... Date: 28 February 2020

Print name: Terry Roberts
Chief Executive Officer