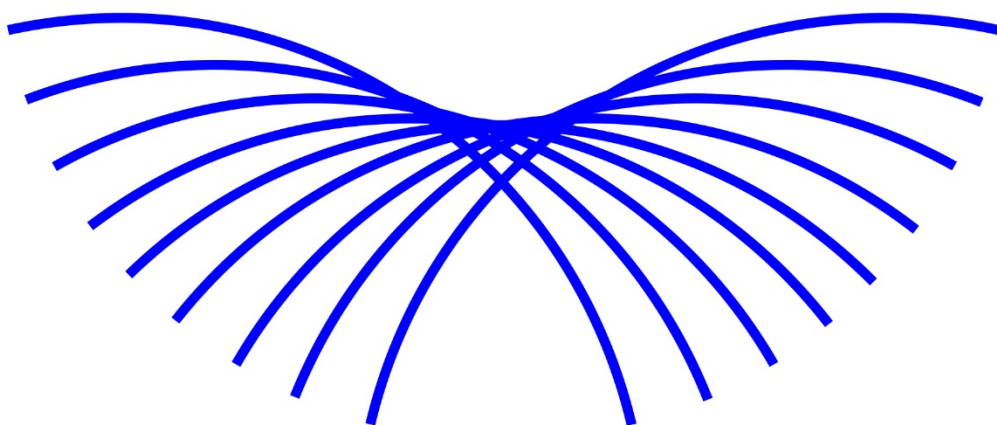


**2021**

## Quarterly Activities Report



**WHITEHAWK**

Quarterly Activities Report for the Period Ended

June 30, 2021

WHITEHAWK LIMITED (ASX: WHK OR "THE COMPANY"), THE FIRST GLOBAL ONLINE CYBER SECURITY EXCHANGE ENABLING BUSINESSES OF ALL SIZES TO TAKE SMART ACTION AGAINST CYBERCRIME, IS PLEASED TO PROVIDE AN UPDATE ON ITS PROGRESS FOR THE SECOND QUARTER 2021.

## HIGHLIGHTS

- Invoiced US\$742K YTD in 2021 up 400% over same period 2020. Invoicing US\$300K in the second quarter of 2021.
- Collected US\$400K relating to sales receipt from customers.
- US\$277K in receivables will be collected in July 2021.
- WhiteHawk finishes the 2nd quarter of 2021 with a cash position of US\$2M and no debt.
- Executing 2<sup>nd</sup> YR of contract as development lead for U.S. Department of Homeland Security (DHS) CISA QSMO Cybersecurity Marketplace, as a sub-contractor to Guidehouse (formerly PWC Federal), for US\$1.5 to \$1.8M Fiscal Year 2021. YR 3 currently being scoped.
- Option Year 1 of 4 option years (beyond current year) has been contracted and will kick off in August 2021. Completed first year as Prime Contractor on U.S. Federal Government CISO Cyber Risk Radar for up to US\$1.18M annually.
- Cyber Risk Program contract renewed for 2<sup>nd</sup> YR, Phase 1 for US\$100K via a Global Consulting Firm in direct support of a Global Manufacturer. Phase 2 scoped for a Cyber Risk Radar across an initial 1,000 suppliers in 2021 for US\$1.1M.
- WhiteHawk is now fully onboarded as a member of the Amazon Web Services (AWS) Partner Network (APN) commercial marketplace and can sell our automated Cyber Risk Scorecards for individual companies or across a portfolio of vendors and suppliers, allowing WhiteHawk marketing and sales to both industry and government clients direct and at scale, without an additional contract vehicle. AWS is a subsidiary of Amazon.
- Finalizing integration of WhiteHawk's Cyber Risk Vulnerability Assessments into a Global Credit Risk Manager's automated reporting services, in support of both Government Organizations and Defense Industrial Base Contractors and Suppliers.
- Global Social Media Company enquiry for a Cyber Risk Radar 60-day Proof of Concept (POC), potentially starting in August 2021.
- One of WhiteHawk's Global Consulting Partners has been contracted for direct support of a Global 2022 Major Sports event. Security Contract services will be scoped during site visit in 3<sup>rd</sup> QTR 2021.
- Responded to NAVINTEL, Dept of Navy, Open-Source Cybersecurity Small Business Sources Sought June 7, 2021 and Dept of Treasury Small Business Cyber Security Assessment RFI May 6, 2021.
- One Cyber Risk Platform as a Service Request for Quote was lost, another was delayed and two Cyber Risk Radar contracts remain active opportunities.
- Executing in earnest 2021 PR and Marketing Strategy in the U.S. and AU, to include two major international events.

## UPDATES FROM THE QUARTER

### **Second Year as Prime developer on contract with U.S. Federal Department of Homeland Security (DHS) Cybersecurity and Infrastructure Security Agency (CISA) QSMO Cybersecurity Marketplace**

#### Contract Summary

- WhiteHawk is a subcontractor on a contract won by the prime contractor, Guidehouse: The contract is for 3 years (1 year with 2 option years).
- Executing Option Year 1 US\$1.5M - \$1.8M USD for Fiscal Year 2021 (October 2020-2021).
- Option Year 2 being scoped to commence October 2021.

#### Contract Progress during the quarter

- New US Federal Administration DHS CISA members are aligning QSMO Cybersecurity online Marketplace requirements across all US Federal Department stakeholders and transitioning all work to US Federal Government owned cloud environment.
- Development of platform ongoing in earnest to meet key benchmarks.

### **Second year Cyber Risk Program contract with major U.S. Manufacturer via Global Consulting Partner and new Task Order for Cyber Risk Radar**

#### Contract Summary

- Cyber Risk Program is a "Hacker View" of prioritized cyber risks and mitigation strategies tailored and delivered to the Chief Information Officer (CIO), Executive Team, Chief Executive Officer (CEO), and Board of Directors (BoD).
- This independent expert risk assessment subscription for 7 Business Groups includes: Cyber Risk Continuous Monitoring and Prioritization; 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

- Additional requirement for Cyber Risk Radar has been scoped and planned for a Phase 1 of an initial 1,000 suppliers, with potential kick-off late Summer 2021.
- Assessment of the CISO's current team challenges, processes, training and optimization underway.

**Prime Cyber Risk Radar Contract now contracted for 1<sup>st</sup> of 4 option years, in support of U.S. Federal Government Department, Chief Information Security Officer (CISO),**

Contract Summary

- WhiteHawk providing online platform Software as a Service (SaaS), an annual recurring subscription, with training and technical reach-back.
- Automated Business Risk Reports provided twice annually, and Cyber Risk Scorecards being provided quarterly via an integrated and interactive vendor risk management dashboard.

Progress for the Quarter

- Tailored training sessions on the platform for new team members being provided.
- Task Order issued for tailoring and analytics remains in client's contracts office.
- Business and Cyber Risk Continuous Monitoring, Alerting and Tracking ongoing.
- Quarterly Cyber Risk Scorecards mapped to Vendor Risk Management SaaS Dashboard.
- Option Year 1 now approved and contracted.

**2<sup>nd</sup> Contract with U.S. Federal Government Department CIO:**

Contract Summary

- WhiteHawk's Cyber Risk Policy subcontract length is 5 years (1 year with 4 option years).

Contract Progress during the quarter

- New Small Business Set-Aside multi-million Task Order opportunity remains delayed by New Administration review.

**Cashflows**

- Revenues remain consistent, with the Company recording revenue in each of the six months in the First Half of 2021. First half of 2021 invoicing of US\$792K is a mixture of government contracts, executive consulting and Cyber Risk Program product lines, a 400% increase over same period last year.
- The company will collect US\$277K in receivables in July 2021 from second quarter invoicing of government contracts, executive consulting and Cyber Risk Program.
- Payment made to related parties include payments made for the services provided by Key Management Personnel including Directors of the Company.

## OUTLOOK

### 2021 Growth Channels Implemented with Direct Online Sales via Amazon Web Services (AWS) Marketplace and soon to be with Strategic Global Credit Risk Manager:

- WhiteHawk is now a member of the AWS Partner Network (APN), kicking off marketing and sales directly to Federal Government and Defense Industrial Base clients from the AWS Marketplace: [https://aws.amazon.com/marketplace/pp/prodview-t7qm4zw4kiovi?sr=0-1&ref\\_=beagle&applicationId=AWSMPContessa](https://aws.amazon.com/marketplace/pp/prodview-t7qm4zw4kiovi?sr=0-1&ref_=beagle&applicationId=AWSMPContessa) enabling seamless vetting, monitoring and compliance with the Cybersecurity Maturity Model Certification (CMMC) regulatory framework painlessly and effectively and without additional procurement and purchase processing. WhiteHawk will also market and sell to businesses and enterprises across all Industry Sectors and is working with AWS Federal on a broader sales strategy to current AWS Clients.
- WhiteHawk integrating automated Cyber Vulnerability Assessments into the Business and Credit Risk automated reporting services of a leading global provider of business decisioning data and analytics. Technical alignment ongoing and sales to large pipeline of current contracted clients, kicking off by the end of August 2021.
- WhiteHawk has answered an enquiry, completed vendor onboarding and scoped level of effort for a Cyber Risk Radar Proof of Concept with a Global Social Media Company.
- Our Global Consulting Partner continues to be an excellent channel for new active Cybersecurity and Risk Product Line opportunities, to include a 2022 major Global Sports event that is being scoped during an upcoming Host Country site visit.
- We are in advanced discussions to put in place a second Global Consulting Firm partnership, where we are a Cyber Risk Solution SaaS/PaaS provider across their current client needs.
- WhiteHawk is continuing to position our Cyber Risk Platform as a Service (PaaS) <https://www.whitehawk.com/cyber-risk-paas> with Managed Service Providers (MSPs) and Managed Security Service Providers (MSSPs), in addition to Financial Institutions and Insurance Groups.
- Our WhiteHawk Product lines map to, enable and automate the implementation of the Biden Administrations Executive Order: “[Improving the Nation’s Cybersecurity \(14028\)](#)” specifically Sections: 2, 3, 4 and 8. The New U.S. Administration Cyber Team (in White House, NSC and CISA) were confirmed and are in office starting mid-July.
- On August 24, 2021, we are providing a two part Webinar; “The Realities of Digital Age Risk” and “Kicking-Off A Cyber Risk Program” to the 29,000+ Chartered Governance Institute (CGI) Membership <https://www.cgiglobal.org/news-events/webinars/cgi-global-webinar-the-realities-of-digital-age-risk/>
- WhiteHawk is being interviewed by the Switzer Financial Group during their Small and Micro Cap Investor Day on 28 September, 2021. [www.switzer.com.au](http://www.switzer.com.au)

*The Appendix 4C Quarterly cash flow report for the Period Ended June 30, 2021, follows.*

## 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.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

WhiteHawk Limited

**ABN**

97 620 459 823

**Quarter ended ("current quarter")**

30 June 2021

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
<b>1.</b>	<b>Cash flows from operating activities</b>	400	740
1.1	Receipts from customers		
1.2	Payments for		
	(a) research and development	(78)	(172)
	(b) product manufacturing and operating costs	(242)	(765)
	(c) advertising and marketing	(3)	(43)
	(d) leased assets	(22)	(43)
	(e) staff costs	(288)	(558)
	(f) administration and corporate costs	(111)	(317)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(344)</b>	<b>(1,158)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	192	384
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	176	437
2.6	<b>Net cash from / (used in) investing activities</b>	<b>368</b>	<b>821</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(9)	(19)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(9)</b>	<b>(19)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,986	2,368
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(344)	(1,158)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	368	821



Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9)	(19)
4.5	Effect of movement in exchange rates on cash held	(13)	(24)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,988</b>	<b>1,988</b>

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	929	1,221
5.2	Call deposits	1,059	765
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,988</b>	<b>1,986</b>

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	165
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>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	93	-
7.4	<b>Total financing facilities</b>	93	-
7.5	<b>Unused financing facilities available at quarter end</b>		93
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.		
	Other facilities include receivable under Share Purchase Agreement and Equity Swap Agreement (as announced to ASX on 30 January 2020 and 1 July 2020) in monthly instalments.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$US'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(344)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,988
8.3	Unused finance facilities available at quarter end (item 7.5)	93
8.4	Total available funding (item 8.2 + item 8.3)	2,081
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	6.049
	<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	
	<i>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.</i>	

## 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: 30 July 2021  
.....

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.