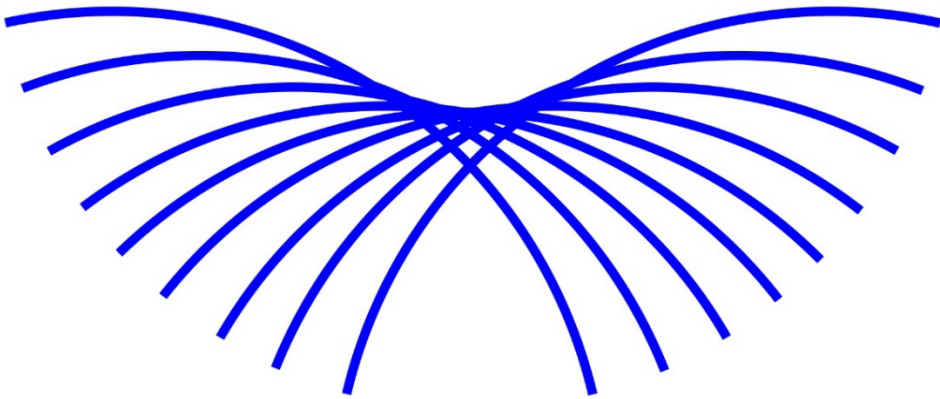


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2020



WHITEHAWK

FOR THE PERIOD ENDED
31 DECEMBER 2020

APPENDIX 4E Cover Letter



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 December 31, 2020.

HIGHLIGHTS:

- ⇒ WhiteHawk invoiced US\$2.1M, recognizing US\$1.9M accrued revenue for 2020, doubling revenue for 2019. Revenue components are WhiteHawk's Cyber Risk Radar, formerly 360 Framework, accounted for US\$633K, US\$400K Cyber Risk Program, US\$30K Lead Generation revenue and US \$818K in government contracting.
- ⇒ Executed on Phase 2 of current contract with U.S. Department of Homeland Security (DHS) CISA QSMO Cybersecurity Marketplace, as sub-contractor to Guidehouse (formerly PWC Federal), for US\$1.5 to US\$1.8M Fiscal Year 2021, starting October 2020.
- ⇒ Executing on the first sole-source Prime U.S. Federal Government CISO Cyber Risk Radar contract for base year and 4 option years, not to exceed US\$1.18M per year with US\$580K invoiced in five months of 2020.
- ⇒ Executing next phase of and scoping 2021 Cyber Risk Program US\$400K contract via a Global Consulting Firm in direct support of a Global Manufacturer, including: advanced risk validation by Red-Team, prioritization and mapping to Company risk priorities and how to best mitigate top risks in 2021 via innovative best practices and solution options from our portfolio of almost 200 best of breed solution partners.
- ⇒ In response to an initial partnership with a Global Insurance Group and a Request for Quote (RFQ) from a U.S. Manufacturer Association, we are productizing the WhiteHawk Cybersecurity Exchange as a tailorable Platform as a Service (PaaS) that can be co-branded or white labeled to include: one time development costs upfront and an annual subscription service which includes improvements, training, technical maintenance and revenue share on all products and services sold from the marketplace.
- ⇒ One additional Global Insurance Group and 2 cloud based Managed Service Providers (MSP's) are interested in our PaaS Cybersecurity Exchange to service their business clients seamlessly and at scale.
- ⇒ Underwent the due diligence to become an ESG (Environment, Social, Governance) Registered company, a new standard in measuring the sustainability and ethical impact that a company makes.
- ⇒ COVID-19 Impact Update:

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- No delays in product line development, execution and client delivery
- Pivoted sales focus back to Defense Industrial Base and Government Contracting
- Able to hire top talent to meet current contract requirements and work and collaborate virtually.
- Continue to experience contract scoping and completion delays of 60 to 90 days, with government and industry procurement teams.

⇒ WhiteHawk finishes 2020 with a cash position of US\$2.4M and no debt.

OUTLOOK:

As a result of our product and sales channel development and refinement since our inception, WhiteHawk is strategically positioned for continued growth in 2021:

2021 High Level Objectives:

- 1) Based upon the experience from our Guidehouse DHS Cybersecurity Marketplace development contract and ongoing work, grow annual recurring subscription revenue via two primary paths:
 - a. Tailored, co-branded or white labeled versions of the WhiteHawk Cybersecurity Exchange Platform as a Service (PaaS) and online Customer Journey to include online threat readiness questionnaire, cyber risk maturity model, Cyber Risk Scorecard action plan, automated matching from key risk to solution options all via a virtual consult and online experience.
<https://www.whitehawk.com/cyber-risk-journey>
 - b. Sontiq/WhiteHawk Business Risk Suite embedded annual Software as a Service (SaaS) to include financial fraud, identity theft, mobile device security, Cyber Risk profile, virtual consult and Cyber Risk Scorecard for the business and employees. <https://www.whitehawk.com/business-risk-suite>

These two comprehensive offerings are unique, scalable online and virtual services for the business clients of Financial Institutions, Insurance Groups, Internet Service Providers (ISP), and Managed Service Providers (MSP), providing continuous online and virtual Digital Age Risk services to tens of thousands of businesses globally – effectively, affordably and with revenue share. This enables the client to select from two compelling and seamlessly implemented approaches in accordance with their business objectives, budget and revenue benchmarks.

- 2) Developed, vetted and executing on a new 2021 Strategy, to include growing Sales Pipeline across U.S. Federal Government, Defense Industrial Base and Industry, with broadened Go to Market Strategies in the U.S. and now including the Australian market. This strategy includes a new primary focus on selling of our PaaS to MSP's. In 2021, we have established 4 new PaaS opportunities both direct and via global consulting group partners.

- 3) Hone and execute 2021 Go To Market (GTM) campaign with all Partner Sales Teams, across current pipeline of 40 ongoing engagements, in order to execute on 5 to 10 contract opportunities in 2021.
- 4) GTM to fully leverage new website www.whitehawk.com, with advanced client portal, updated online marketing materials, product line video demo's, Enterprise Partner splash pages, renewed SEO branding and social media, PR, thought leadership via virtual and online engagements, and advanced WhiteHawk Insights postings and links.

Whitehawk will accomplish the above with the vision and drive of our newly appointed Chief Operating Officer (COO) Ms. Soo Kim. Ms. Kim has operated at the Executive Level in industry for over a decade as a Business Unit VP, Director of Technology, and Solution Architect at TASC, HP Federal and Accenture Federal.

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

WhiteHawk media inquiries
(USA)
Malachi Walker
publicrelations@whitehawk.com

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



The Appendix 4E Preliminary Annual Report for the Period Ended December 31, 2020 follows.

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:

Year ended 31 December 2020

Previous corresponding period:

Year ended 31 December 2019

2. Results for announcement to the market

Current Period
2020
US\$

2.1 Revenue from ordinary activities	Up	83.5%	to	1,888,087
2.2 Loss from ordinary activities for the period after tax attributable to members	Down	34.2%	to	1,809,633
2.3 Net loss for the period attributable to members	Down	34.2%	to	1,809,633
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		

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

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

3. Consolidated Statement of Comprehensive Income

	Current Period 31 Dec 2020 US\$	Previous Period 31 Dec 2019 US\$
Revenues from continuing operations	1,888,087	1,028,846
Cost of goods sold	(956,479)	(521,602)
Gross profit	931,608	507,244
Other income	763,949	54,302
Professional expenses	(305,230)	(268,666)
Research and development expense	(598,441)	(695,911)
Employee benefits expense	(972,149)	(826,579)
Share based payments expense	(427,643)	(327,598)
IT expenditure	(26,113)	(19,215)
Conference and travel expenditure	(18,210)	(51,938)
Marketing expenditure	(210,322)	(198,618)
Office and occupancy expenses	(19,936)	(79,973)
Depreciation and amortisation	(659,879)	(612,723)
Finance costs	(19,510)	(4,946)
General and administration expenses	(247,757)	(224,370)
Loss before income tax	(1,809,633)	(2,748,991)
Income tax (expense) / benefit	-	-
Loss after income tax expense from continuing operations	(1,809,633)	(2,748,991)
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations, net of tax	81,138	(42,200)
Total other comprehensive income	81,138	(42,220)
Total comprehensive loss for the year	(1,728,495)	(2,791,191)
Attributable to:		
Members of the Parent Company	(1,728,495)	(2,791,191)
Basic loss per share	(US\$0.01)	(US\$0.02)
Diluted loss per share	(US\$0.01)	(US\$0.02)

4. Consolidated Statement of Financial Position

	Current Period 31 Dec 2020 US\$	Previous Period 31 Dec 2019 US\$
Current Assets		
Cash and cash equivalents	2,368,486	1,526,785
Trade and other receivables	268,544	308,513
Other current assets	223,615	100,187
Financial assets	1,096,344	84,074
Total Current Assets	3,956,989	2,019,559
Non-Current Assets		
Property, plant and equipment	145,303	199,015
Intangible assets	172,689	764,764
Total Non-Current Assets	317,992	963,779
Total Assets	4,274,981	2,983,338
Current Liabilities		
Trade and other payables	454,303	334,667
Contract liabilities	350,607	141,350
Lease liabilities	76,744	56,683
Total Current Liabilities	881,654	532,700
Non-Current Liabilities		
Lease liabilities	88,090	145,041
Total Non-Current Liabilities	88,090	145,041
Total Liabilities	969,744	677,741
Net Assets	3,305,237	2,305,597
Equity		
Issued capital	13,475,921	11,175,429
Reserves	942,775	433,994
Accumulated losses	(11,113,459)	(9,303,826)
Total Equity	3,305,237	2,305,597

5. Consolidated Statement of Cash Flows

	Current Period 31 December 2020 US\$	Previous Period 31 December 2019 US\$
Cash flows from operating activities		
Receipts from customers	2,147,854	824,011
Payments to suppliers and employees	(3,275,366)	(2,721,191)
Interest received	1,635	6,729
Interest and other costs of finance paid	-	(11,755)
Grants received	13,999	-
Net cash used in operating activities	(1,111,878)	(1,902,206)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(9,398)
Proceeds from loans to other entities	365,254	-
Proceeds from equity swap	119,459	-
Net cash used in investing activities	484,713	(9,398)
Cash flows from financing activities		
Proceeds from issue of shares	-	2,639,790
Proceeds for exercise of options	1,298,268	14,328
Proceeds from borrowings	199,960	-
Repayment of borrowings	-	(250,000)
Loans to other entities	-	(57,289)
Transaction costs related to issues of shares and options	-	(168,871)
Transaction costs related to loans and borrowings	(22,719)	-
Net cash provided by financing activities	1,475,509	2,177,958
Net increase in cash held	848,344	266,354
Cash and cash equivalents at the beginning of the year	1,526,785	1,292,191
Effects of exchange rate changes on cash	(6,643)	(31,760)
Cash and cash equivalents at the end of the year	2,368,486	1,526,785

6. Consolidated Statement of Changes in Equity

	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total US\$
Balance at 1 January 2020	11,175,429	433,994	(9,303,826)	2,305,597
Loss for the year	-	-	(1,809,633)	(1,809,633)
Other comprehensive income	-	81,138	-	81,138
Total comprehensive loss for the year	-	81,138	(1,809,633)	(1,728,495)
Transactions with owners in their capacity as owners:				
Issued capital net of issued costs	2,300,492	-	-	2,300,492
Performance rights expense	-	427,643	-	427,643
Balance at 31 December 2020	13,475,921	942,775	(11,113,459)	3,305,237
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

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

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 2020 US\$	Previous Period 2019 US\$
Accumulated losses at the beginning of the financial period	(9,303,826)	(6,554,835)
Net loss attributable to members	(1,809,633)	(2,748,991)
Accumulated losses at end of financial period	(11,113,459)	(9,303,826)

10. NTA backing

	Current Period 2020 US\$	Previous Period 2019 US\$
Net tangible asset backing (deficiency) per ordinary share	0.017	0.010

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 2020	Current Period 2019
Basic loss per share	(US\$0.01)	(US\$0.02)

13.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2020 US\$	Previous Period 2019 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

Improvements in FY2020 revenue and loss from ordinary activities is attributable to:

- Securing a 5-year US Government CIO contract with an annual base of US\$580K per annum with contract option of an additional US\$600K per annum in services each year, for up to 5 total years.
- Option year 2 of a 5-year contract signed for an additional US\$1.5M-\$1.8M awarded in 2017 by US Department of Homeland Security to Guidehouse, with WHK as a sub-contractor and lead developer.
- Sustainment of the Cyber Risk Radar (formerly 360 Framework) sales channel in US Government, US Defense Industrial Base, resulting in increased revenues over last year from US\$559K in 2019 to US\$633K in 2020
- Government contracting provided US\$818K of 2020 revenue, up from US\$161K in 2019
- New mid to large Enterprise product line Cyber Risk Program grew revenue by US\$400K

- Delays in U.S. Government execution of contracts won in 2018, resulted in some 2019 expected revenues rolling over into 2020, further broadening the increase in 2020 revenue.
- Uptick in COGS directly related to sales of Cyber Risk Radar and government contracting (sales revenue up 83.5% with COGS up 83.4%).
- WhiteHawk continued to drive platform and product line automation to include achieving 100% automation of the Cyber Risk Scorecard, allowing for a dramatic advancement in the online Cyber Risk customer journey, maturity model and matching to vendor product options. Now thousands can be produced within a week, thereby increasing margins.
- No delays in product line development, execution and client delivery as a result of COVID-19 impacts
- Significant vesting expense on non-cash share-based payments were recognized due to appreciation in share price.
- Ordinary activities loss includes the following non-cash expense items:
 - US\$660K which relates to the amortization of Website Development Costs and capital equipment.
 - US\$427K Vesting expense on non-cash share-based payments.
- Increased employee benefits expense required to meet the expanding business offerings, with share-based payments expense also increasing to help further incentivize staff to drive business growth.
- Savings made in travel and office occupancy expenses (down 71.1%) were made in 2020 as a result of the impacts of COVID-19.

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.

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

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, Chief Operating Officer and Chief Financial Officer.

The following tables present certain asset and liability information regarding geographical segments for the period ended 31 December 2020 and 31 December 2019 and this is the format of the information provided to the chief operating decision maker

	Australia		USA		Total	
	Dec 2020 US\$	Dec 2019 US\$	Dec 2020 US\$	Dec 2019 US\$	Dec 2020 US\$	Dec 2019 US\$
External sales	-	-	1,888,087	1,028,846	1,888,087	1,028,846
Total segment revenue	-	-	1,888,087	1,028,846	1,888,087	1,028,846
Segment operating result	(352,318)	(854,275)	(777,926)	(1,277,047)	(1,130,244)	(2,131,322)
EBITDA	(352,318)	(854,275)	(777,926)	(1,277,047)	(1,130,244)	(2,131,322)

Depreciation and amortisation	-	-	(659,879)	(612,723)	(659,879)	(612,723)
Finance costs	-	-	(19,510)	(4,946)	(19,510)	(4,946)
Loss before income tax	(352,318)	(854,275)	(1,457,315)	(1,894,716)	(1,809,633)	(2,748,991)
Income tax expense	-	-	-	-	-	-
Loss after income tax expense	(352,318)	(854,275)	(1,457,315)	(1,894,716)	(1,809,633)	(2,748,991)
Segment assets	2,029,186	1,234,434	2,245,795	1,748,904	4,274,981	2,983,338
Segment liabilities	43,916	32,924	925,828	644,817	969,744	677,741

13.5 Report on trends in performance

Cashflows

Operating cashflows improved significantly from prior year due to increased revenue, however, was still a net outflow. This being the resultant of considerable investment made to research and development as well as operating costs that were necessary to continue to be able to develop and deliver across the 5 product lines.

Investing activities cashflows significantly improved from 2019, with \$484K being received because of proceeds from a PPP loan from the US Government as well as gains on the equity swap facility with Riverfort capital.

In addition, the significant appreciation in share price saw WhiteHawk realise US\$1.3M from the exercise of options in the year, helping to strengthen the cashflows of the business in the year.

Revenue

2020 revenues almost doubled over the previous year, primarily generated through sale of Cyber Risk Radars (formerly 360 Framework) and growth of the PaaS US Government contract. WhiteHawk continues to execute across its five product lines: the Cyber Risk Radar, the Cyber Risk Program, and Cybersecurity Exchange PaaS development.

Other income for the period includes a material gain on the Riverfort ESA facility due to substantial growth in the Company share price to 31 December 2020.

Expenses

WhiteHawk continued to drive advancement and automation of all online products and was able to achieve a 100% automation of the Cyber Risk Scorecard in the year, allowing for a dramatic advancement in the online Cyber Risk customer journey, maturity model, Marketplace. The reduced loss experienced from prior year is due to WhiteHawk's continued efforts in cost management (with a slight uptick) while improving revenue considerably

WhiteHawk's expenses does include a considerable value of non-cash items, including:

- US\$660K which relates to the amortization of Website Development Costs and capital equipment.
- US\$427K vesting expense on non-cash share-based payments.

Balance Sheet

WhiteHawk finished the year with a strong balance sheet position that has improved from last year. As of 31 December 2020, WhiteHawk has a significant cash position with US\$2.37M and no debt; when this is combined with the financing facilities available, WhiteHawk is in a favourable position to continue to grow and actively manage a growing pipeline of opportunities, previous Proof of Values, and compete for government RFP's on current contracts and with new Federal Contractor Partners.

Because of the continuing impact of COVID on industry contract scoping and completion, expect delays of 60 to 90 days to remain in 2021.

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.

- Secured a US Federal Government CISO contract with an annual base of US\$580K per annum with contract option of an additional US\$600K per annum in services each year, for up to 5 total years.
- Being granted an additional US\$1.5M-\$1.8M year extension on the original contract first awarded in 2017 by US Department of Homeland Security to Guidehouse as a sub-contractor and lead developer.
- Continuation of Cyber Risk Program contracts via global consulting partner.
- The 100% automation of the Cyber Risk Scorecard in the year will allow for efficiencies to be attained which will improve the gross margins moving forward.

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

14. Compliance statement

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

- | | | |
|-------------------------------------|--|---|
| <input type="checkbox"/> | The accounts have been audited. | The accounts have been subject to review. |
| <input checked="" type="checkbox"/> | 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: 26 February 2021

Print name: Terry Roberts
Chief Executive Officer