

30 August 2021

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 2021

Reporting period 1 January 2021 to 30 June 2021

Previous period 1 January 2020 to 30 June 2020

2. Results for announcement to the market

| | 30 June 2021 | 30 June 2020 | % Change |
|---|---------------------|---------------------|------------------|
| | US\$ | US\$ | Up (Down) |
| 2.1 Revenues from continuing operations | 1,092,695 | 585,835 | 86.5% |
| 2.2 Loss from continuing operations after tax attributable to members | (1,422,522) | (1,268,985) | 12% |
| 2.3 Net loss attributable to members | (1,422,522) | (1,268,985) | 12% |
| 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. Gross margin decreased due to different mix of product sales over the same period as last year with reductions in high margin referral and scorecard revenue. 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.

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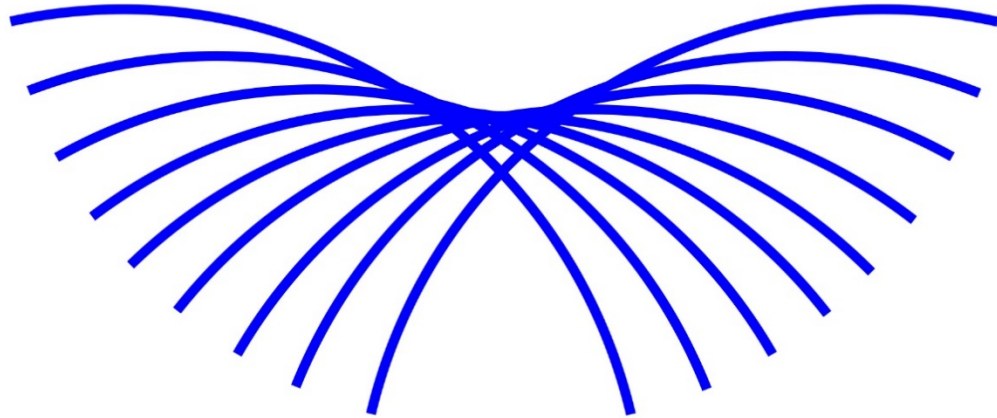
| | 30 June 2021 US\$ | 31 December 2020 US\$ | % Change Up (Down) |
|--|----------------------|--------------------------|-----------------------|
| 3. Net tangible asset per security | 0.009 | 0.016 | (43.75%) |
| 4. There were no entities for which control was gained or lost during the period. | | | |
| 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 and Executive Chair
WhiteHawk Limited
30 August 2021



WHITEHAWK

WhiteHawk Limited

Interim Consolidated Financial Report

For the Six Months Ended 30 June 2021

ABN: 97 620 459 823

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CORPORATE INFORMATION

Directors

Terry Roberts
Philip George
Melissa King

Registered Office

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Perth WA 6000

Principal Place of Business

Alexandria, VA
USA

Share Registry

Automic Registry Services
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Perth WA 6000

Company Secretary

Kevin Kye

ASX Code

WHK

Website

<http://www.whitehawk.com>

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

Steinepreis 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 period ended 30 June 2021.

DIRECTORS

The following persons were directors of the Company during the reporting period and up to the date of this report:

| | |
|--------------------------------|--|
| <u>TERRY ROBERTS</u> | <i>Chief Executive Officer and Executive Chair</i> |
| <u>PHILIP GEORGE</u> | <i>Non-Executive Director</i> |
| <u>MELISSA KING</u> | <i>Non-Executive Director</i> |
| <u>TIFFANY KLEEMANN</u> | <i>Non-Executive Director (Resigned 13 May 2021)</i> |

CHIEF EXECUTIVE OFFICER

TERRY ROBERTS

COMPANY SECRETARY

KEVIN KYE *B Comm, CA, CPA, AGIA, ACG*

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The net loss after tax for the year was US\$1,422,522 (2020 loss: US\$1,268,985).

PRINCIPAL ACTIVITIES AND STRATEGY

The Group has developed and operates an online Cybersecurity Exchange platform of end-to-end Cyber Risk Software as a Service (SaaS) and Platform as a Service (PaaS) Products and Virtual Services, focused cyber risk scoping, prioritization and mitigation for businesses and organizations of all sizes. Annual Product Line subscriptions include: Cyber Risk Profile & Scorecard with mapping to Solution Options for SME's; Cyber Risk Monitoring and Quarterly Scorecards; Cyber Risk Program for mid-sized to large Industry and Government entities, Cyber Risk Radar across Supply Chains, Vendors and Partners; Cyber Risk PaaS and/or Sontiq-WH Business Risk Suite for Prime Company Business Clients. All product lines are AI based, automated and scalable, and include tailored action plans named Cyber Risk Scorecards and virtual Cyber Risk Consults to by Cyber Analysts or Cyber deep Subject

Matter Experts. WhiteHawk's business model includes a complimentary initial Cyber Threat Readiness Questionnaire, Maturity Model, Scorecard and Virtual Consult.

By design the Group fully leverages publicly available global risk data sets and AI based algorithms, risk tradecraft, cyber maturity models and analytics, to assess, validate and mitigate Digital Age Risks efficiently and effectively. In addition, the Group continues to vet innovation continuously and partner with best of breed solution and channel providers, ensuring a breadth of solution options that address identified risk priorities.

RECENT HIGHLIGHTS

- WhiteHawk has a cash position of US\$2M and no debt at the end of the reporting period and no debt.
- Executing 2nd 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 exercised by the US Federal Government 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 2nd 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 Request for Quote for a Cyber Risk Radar 60-day Proof of Concept (POC), potentially starting in September 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 not accepted, 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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO BALANCE DATE

There have been no significant matters or circumstances that have arisen since 30 June 2021 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 reporting period(2020: US\$Nil).

INDEMNIFICATION OF OFFICERS

During the reporting period 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.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration is set out on page 8.

AUDITOR

RSM Australia Partners is the Company's appointed auditor.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Terry Roberts

Chief Executive Officer and Executive Chair

30 August 2021

RSM Australia Partners

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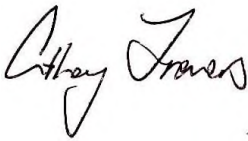
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of WhiteHawk Limited for the half year ended 30 June 2021, 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 AUSTRALIA PARTNERS



Anthony Travers
Partner

Sydney, NSW

Dated: 30 August 2021

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2021

| | Notes | For the Period Ended 30 Jun 2021 US\$ | For the Period Ended 30 Jun 2020 US\$ |
|--|-------|--|--|
| Revenue | 2 | 1,092,695 | 585,835 |
| Cost of goods sold | | (642,730) | (277,167) |
| Gross profit | | 449,965 | 308,668 |
| Other income | | 212 | 1,340 |
| Professional expenses | | (154,360) | (118,576) |
| Research and development expense | | (220,590) | (335,640) |
| Employee benefits expense | | (625,214) | (485,328) |
| Share based payments expense | | (259,842) | (84,060) |
| IT expenditure | | (12,090) | (11,321) |
| Conference and travel expenditure | | (7,035) | (16,700) |
| Marketing expenditure | | (25,950) | (40,774) |
| Office and occupancy expenses | | (12,496) | (21,875) |
| Depreciation and amortisation | | (206,208) | (329,559) |
| Finance costs | | (7,514) | (10,355) |
| Loss on equity swap agreement | | (207,256) | - |
| General and administration expenses | | (134,144) | (124,805) |
| Loss before income tax | | (1,422,522) | (1,268,985) |
| Income tax expense | | - | - |
| Loss for the period | | (1,422,522) | (1,268,985) |
| <i>Other comprehensive income/(loss)</i> | | | |
| Exchange differences on translation foreign operations | | (18,715) | (55,505) |
| Total comprehensive loss for the period | | (1,441,237) | (1,324,690) |
| <i>Loss per share</i> | | | |
| From continuing operations | | | |
| - Basic/diluted losses per share (US cents) | | (0.65) | (0.80) |

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 2021

| | Notes | As at 30 Jun 2021 US\$ | As at 31 Dec 2020 US\$ |
|--------------------------------------|-------|------------------------------|------------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | | 1,988,421 | 2,368,486 |
| Trade and other receivables | | 316,890 | 268,544 |
| Other current assets | | 47,393 | 224,615 |
| Financial assets | 4 | 89,877 | 1,095,344 |
| Total Current Assets | | 2,442,581 | 3,956,989 |
| Non-Current Assets | | | |
| Property, plant and equipment | | 111,784 | 145,303 |
| Intangible assets | 3 | - | 172,689 |
| Total Non-Current Assets | | 111,784 | 317,992 |
| Total Assets | | 2,554,365 | 4,274,981 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | | 214,129 | 454,303 |
| Contract liabilities | | 85,720 | 350,607 |
| Lease liabilities | | 75,058 | 76,744 |
| Total Current Liabilities | | 374,907 | 881,654 |
| Non-Current Liabilities | | | |
| Lease liabilities | | 55,616 | 88,090 |
| Total Non-Current Liabilities | | 55,616 | 88,090 |
| Total Liabilities | | 430,523 | 969,744 |
| Net Assets | | 2,123,842 | 3,305,237 |
| EQUITY | | | |
| Contributed equity | 5 | 13,475,921 | 13,475,921 |
| Reserves | 6 | 1,183,902 | 942,775 |
| Accumulated losses | | (12,535,981) | (11,113,459) |
| Total Equity | | 2,123,842 | 3,305,237 |

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021

| | Notes | Contributed Equity US\$ | Accumulated Losses US\$ | Reserves US\$ | Total US\$ |
|---|-------|----------------------------|----------------------------|------------------|--------------------|
| 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 | | 25,023 | - | - | 25,023 |
| Performance rights expense | | - | - | 84,060 | 84,060 |
| At 30 June 2020 | | 11,200,452 | (10,572,811) | 462,549 | 1,090,190 |
| 2021 | | | | | |
| At 1 January 2021 | | 13,475,921 | (11,113,459) | 942,775 | 3,305,237 |
| Loss for the period | | - | (1,422,522) | - | (1,422,522) |
| Other comprehensive income | 6 | - | - | (18,715) | (18,715) |
| Total comprehensive loss | | - | (1,422,522) | (18,715) | (1,441,237) |
| <i>Transactions with owners in their capacity as owners</i> | | | | | |
| Issued capital net of issue costs | 5 | - | - | - | - |
| Performance rights issued | | - | - | 259,842 | 259,842 |
| At 30 June 2021 | | 13,475,921 | (12,535,981) | 1,183,902 | 2,123,842 |

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021

| | Notes | For the Period Ended 30 Jun 2021 US\$ | For the Period Ended 30 Jun 2020 US\$ |
|---|-------|--|--|
| Cash flows from operating activities | | | |
| Receipts from customers | | 739,645 | 874,904 |
| Payments to suppliers and employees | | (1,855,045) | (1,397,654) |
| Interest received | | 173 | 1,329 |
| Grants received | | - | 6,696 |
| Net cash outflow from operating activities | 8 | (1,115,227) | (514,725) |
| Cash flows from investing activities | | | |
| Net cash flow from investing activities | | - | - |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | - | 488,960 |
| Proceeds from receivables and loans to other entities | | 821,377 | 61,810 |
| Transaction costs related to loans and borrowings | | (19,206) | (7,473) |
| Finance lease payments | | (42,969) | (27,107) |
| Net cash inflow from financing activities | | 759,202 | 516,190 |
| Net (decrease)/increase in cash and cash equivalents | | (356,025) | 1,465 |
| Cash and cash equivalents at the beginning of the period | | 2,368,486 | 1,526,785 |
| Foreign exchange adjustment to cash balance | | (24,040) | (46,154) |
| Cash and cash equivalents at end of the period | | 1,988,421 | 1,482,096 |

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

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 2021.

The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised on 30 August 2021 by the directors of the company.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 2020 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 US\$1,422,522 and had net cash outflows from operating activities of US\$1,115,227 for the half year ended 30 June 2021. 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.

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:

- Whitehawk has cash and cash equivalents of US\$1,988,421 as at 30 June 2021. As at that date the Group had net current assets US\$2,067,674 and net assets of US\$2,123,842. Whitehawk has determined that it has adequate cash resources in place to fund its operations for the next 12 months.
- 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, revised or amending Accounting Standards and Interpretations adopted

There have been no accounting pronouncements which have become effective from 1 January 2021 that have had a significant impact on the Group's financial results or position.

2. REVENUE

| | For the Period Ended 30 Jun 2021 US\$ | For the Period Ended 30 Jun 2020 US\$ |
|--|--|--|
| <i>Rendering of services and sale of goods</i> | | |
| United States | 1,092,695 | 585,835 |
| Australia | - | - |
| | 1,092,695 | 585,835 |
| | | |
| Goods transferred at a point in time | - | |
| Goods transferred over time | 1,092,695 | 585,835 |
| Total sales revenue | 1,092,695 | 585,835 |
| | | |
| Interest income | 173 | 1,340 |
| Other income | 38 | - |
| Total other income | 212 | 1,340 |
| Total income | 1,092,907 | 587,175 |

3. INTANGIBLE ASSETS

| | As at 30 Jun 2021 US\$ | As at 31 Dec 2020 US\$ |
|---------------------------------------|------------------------------|------------------------------|
| Capitalised website development costs | 1,776,227 | 1,776,227 |
| Accumulated amortisation | (1,776,227) | (1,603,538) |
| Closing balance | - | 172,689 |
| | | |
| Balance at beginning of the period | 172,689 | 764,764 |
| Additions | - | - |
| Amortisation | (172,689) | (592,075) |
| Balance at end of period | - | 172,689 |

4. FINANCIAL ASSETS

| | As at 30 Jun 2021 US\$ | As at 31 Dec 2020 US\$ |
|---|------------------------------|------------------------------|
| <i>Financial assets at fair value through profit or loss (FVPL)</i> | | |
| Equity swap loan receivable | 89,877 | 1,095,344 |
| Balance at beginning of the period | 1,095,344 | 84,074 |
| Equity swap loan proceeds paid | - | 722,500 |
| Repayments received in period | (821,377) | (453,760) |
| Net (loss)/gain on the facility in the period including foreign currency translation included in other comprehensive income | (184,090) | 742,530 |
| Balance at the end of period | 89,877 | 1,095,344 |

In FY2020, the Company entered into an Equity Swap Agreement ("ESA") for A\$1,000,000 with RiverFort Global Opportunities PCC Ltd ("RiverFort"). Under the ESA, WhiteHawk received 1/12th of the Equity Swap amount of A\$1,000,000 each month plus an amount that represents 50% of the difference between 8.47cents (the Benchmark Price) and the market price for a month calculated on an aggregate of 10 lowest daily volume weighted average prices in that month (Market Price). Conversely, if the Market Price was below the Benchmark Price in that month, WhiteHawk received that month's portion of the Principal Amount less the difference between the Market Price and Benchmark Price.

5. CONTRIBUTED EQUITY

A. SHARE CAPITAL

| | As at 30 Jun 2021 | | As at 31 Dec 2020 | |
|--|----------------------|-------------------|----------------------|-------------------|
| | No. of Shares | US\$ | No. of Shares | US\$ |
| Ordinary shares | | | | |
| At the beginning of the period | 198,177,373 | 13,475,921 | 157,910,295 | 11,175,429 |
| Issue of shares | - | - | 12,987,013 | 730,200 |
| Entitlements issue | - | - | 2,047,800 | 176,905 |
| Issue of shares in lieu of services received | - | - | 17,632,265 | 1,287,508 |
| Shares issued on conversion of options | - | - | 1,000,000 | 149,691 |
| Shares issued on vesting of performance rights | 4,897,169 | - | 6,600,000 | - |
| Shares issued on achievement of US Milestones | 24,000,000 | - | - | - |
| Share issue expenses | - | - | - | (43,812) |
| Balance at end of the period | 227,074,542 | 13,475,921 | 198,177,373 | 13,475,921 |

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 23 January 2023, exercisable at AU\$0.20 each;
2. 1,500,939 unlisted options expiring 25 November 2022, exercisable at AU\$0.087137 each.

C. PERFORMANCE RIGHTS

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

1. 1,400,000 unlisted performance rights, which will vest and convert into equivalent number of shares for every year of service by non-executive directors of the Company;
2. 1,000,000 unlisted performance rights convertible into ordinary shares at 1:1 ratio subject to Milestone completion. 500,000 performance rights vests on share price achieving A\$0.40 per share and tenure/service requirement until 19 January 2022 and remaining 500,000 performance rights vests on share price achieving A\$0.40 per share and tenure/service requirement until 19 January 2023.
3. 8,666,667 unlisted performance rights convertible into ordinary shares at 1:1 ratio subject to Milestone completion.

The 8,666,667 Performance Rights are subject to the following milestones:

- (a) 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.

- (b) 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.

The following ordinary shares were issued in the financial year as a result of performance targets being met:

- (a) 563,836 unlisted performance rights based on tenure of service completed by directors;
- (b) 4,333,333 Class A Performance Rights converted upon satisfaction of performance milestones.

6. RESERVES

| | Option Premium Reserve US\$ | Performance Rights Reserve US\$ | Foreign Currency Translation Reserve US\$ | Total Reserves US\$ |
|--|--------------------------------------|---------------------------------------|--|---------------------------|
| Balance at 1 January 2020 | - | 649,026 | (215,032) | 433,994 |
| Share-based payments expense | 16,045 | 68,015 | - | 84,060 |
| Foreign currency translation differences arising during the period | - | - | (55,505) | (55,505) |
| Balance at 30 June 2020 | 16,045 | 717,041 | (270,537) | 462,549 |
| Balance at 1 January 2021 | 16,045 | 1,060,624 | (133,894) | 942,775 |
| Share-based payments expense | - | 259,842 | - | 259,842 |
| Foreign currency translation differences arising during the period | - | - | (18,715) | (18,715) |
| Balance at 30 June 2021 | 16,045 | 1,320,466 | (152,609) | 1,183,902 |

A. FOREIGN TRANSLATION RESERVE

The reserve is used to recognise exchange differences arising from the translation of the financial statements to US dollars.

B. PERFORMANCE RIGHTS RESERVE

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

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 periods ended 30 June 2021 and 30 June 2020 and this is the format of the information provided to the chief operating decision maker.

Segment performance

| | Australia | | USA | | Total | |
|---------------------------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|
| | June 2021 | June 2020 | June 2021 | June 2020 | June 2021 | June 2020 |
| | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| External sales | - | - | 1,092,695 | 585,835 | 1,092,695 | 585,835 |
| Total segment revenue | - | - | 1,092,695 | 585,835 | 1,092,695 | 585,835 |
| Segment operating result | (759,224) | (328,827) | (449,576) | (1,186,079) | (1,208,800) | (1,514,906) |
| EBITDA | (759,224) | (328,827) | (449,576) | (600,244) | (1,208,800) | (929,071) |
| Depreciation and amortisation | - | - | (206,208) | (329,559) | (206,208) | (329,559) |
| Finance costs | - | - | (7,514) | (10,355) | (7,514) | (10,355) |
| Loss before income tax expense | (759,224) | (328,827) | (663,298) | (940,158) | (1,422,552) | (1,268,985) |
| Income tax expense | - | - | - | - | - | - |
| Loss after income tax expense | (759,224) | (328,827) | (663,298) | (940,158) | (1,422,552) | (1,268,985) |

Assets and liabilities

| | | | | | | |
|---------------------|-----------|---------|-----------|-----------|-----------|-----------|
| Segment assets | 1,044,613 | 427,597 | 1,509,752 | 2,175,639 | 2,554,365 | 2,603,236 |
| Segment liabilities | 67,998 | 309,418 | 362,524 | 1,203,628 | 430,522 | 1,513,046 |

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

| | For the Period Ending 30 Jun 2021 US\$ | For the Period Ending 30 Jun 2020 US\$ |
|---|---|---|
| Loss for the period | (1,422,522) | (1,268,985) |
| Depreciation and amortisation expense | 206,208 | 329,559 |
| Share-based payments expense | 259,842 | 84,060 |
| Share-based supplier payments expense | - | 25,023 |
| Other non-cash transactions | 208,622 | 5,535 |
| Lease payments | 42,969 | 27,107 |
| | | |
| <i>Change in operating assets and liabilities</i> | | |
| Decrease/(increase) in trade receivables and other current assets | 128,876 | (38,281) |
| Increase/(decrease) in current and lease liabilities | (539,222) | 321,257 |
| Net cash outflow from operating activities | (1,115,227) | (514,725) |

9. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no significant matters or circumstances that have arisen since 30 June 2021 that has significantly affected, or may significantly affect:

- d) The Group's operations in future financial years; or
- e) The results of those operations in future financial years; or
- f) 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 9 to 20 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 2021 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 other mandatory professional reporting requirements; 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 Executive Chair

30 August 2021

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF WHITEHAWK LIMITED****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 2021, 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 2021 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.

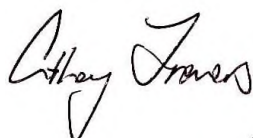
Conclusion

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 2021 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*.



RSM AUSTRALIA PARTNERS



Anthony Travers
Partner

Sydney, NSW
Dated: 30 August 2021

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