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5 February 2019

Update on A\$1.2m Share Placement

Equity Swap for A\$800,000 to enable WhiteHawk to benefit from share price rises during the period of the Equity Swap

Perth, WA and Alexandria, VA – WhiteHawk Limited (ASX:WHK) (“WhiteHawk or “the Company”), the first global online cyber security exchange enabling small-to-medium businesses to take smart action against cybercrime, provides the following update to the announcement released on 31 January 2019 relating to the placement and equity swap arrangements entered into by the Company.

Following discussions with ASX, the Company and Riverfort Global Opportunities Fund PPC Ltd ("Riverfort") have agreed between them to vary the two arrangements entered into to reduce the amount of the placement and to reduce the value of the equity swap to \$700,000. These changes have been made to address concerns raised by ASX in relation to the use of the Company's Listing Rule 7.1 and 7.1A capacities.

The Company will now undertake a placement to raise A\$1.05m before costs at 6.5c per share being a 2.99% discount to closing price as at 30 January 2019 and will see the Company issue approximately 16.15 million shares ("Placement").

Shares under the Placement will be issued as follows:

- 5,384,615 Shares will be issued under the Company's Listing Rule 7.1A capacity (\$350,000); and
- 10,769,231 Shares will be issued under the Company's Listing Rule 7.1 capacity (\$700,000).

In accordance with Listing Rule 3.10.5A, the following information is provided in relation to the 5,384,615 shares being issued under Listing Rule 7.1A:

- a) existing holders will be diluted by approximately 5% as a result of the issue of these shares;
- b) the placement has been undertaken to raise funds after the closing of the recent right issue, which shareholders were entitled to participate in; and
- c) There was no underwriter to the issue, however fees are payable on the whole transaction, being a 5% placement fee and a fee to Viaticus of 1%.

The second transaction the Company has entered into, the Equity Swap Agreement, has been reduced to \$700,000. Under the Equity Swap Agreement, the Company will pay Riverfort \$700,000, repayable by Riverfort over a 12 month term, that can be extended to 18 months. Under the Equity Swap Agreement, WhiteHawk will receive 1/12th of the Principal Amount of \$700,000 each month plus an amount that represents 50% of the difference between the benchmark price of 7.15 cents ("Benchmark Price") and the price that is the numeric average of the 10 lowest volume weighted average prices in that month ("Market Price"). Conversely, if the Market Price is below the Benchmark Price in that month, then WhiteHawk would receive that month's portion of the Principal Amount less the difference between the Market Price and Benchmark Price.

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Despite being two separate arrangements, WhiteHawk has agreed to a net set off of Riverfort's obligations under the Placement with the Company's obligation to pay Riverfort \$700,000 under the Equity Swap Agreement, meaning that the Company will apply \$700,000 from the Placement directly into the Equity Swap.

There are restrictions imposed on the number of shares Riverfort can sell each month under the terms of the Equity Swap Agreement and Riverfort may vary the timing and amount of any payments under the Equity Swap Agreement. Where, as a result of the difference in the Benchmark Price and the Market Price, the Company would be required to pay an amount to Riverfort for that month, the total amounts payable by the Company under the Equity Swap Agreement have been capped at \$50,000.

As announced on 31 January 2019, WhiteHawk has entered into the Equity Swap Agreement in the expectation of rising revenues and potential additional 360 Cyber Risk Review contracts with US Governments and US corporations in the insurance, utility, defense and financial sectors that will enable a rising share price from whichh WhiteHawk can benefit under the Equity Swap Agreement.

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