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# APPENDIX 4C

FOR THE PERIOD ENDED  
31 DECEMBER 2017

WhiteHawk Limited (ASX: WHK) (“WhiteHawk” or “the Company”), the first global online cyber security exchange enabling small and midsize businesses to take smart action against cyber-crime and fraud, is pleased to present a current state of activities and cash flows for the period ending December 31, 2017.

## **A BRIEF INTRODUCTION TO WHITEHAWK LIMITED**

- ❖ WhiteHawk Limited is a market disruptor offering cyber security solutions to small and midsize businesses globally.
- ❖ The online platform created by WhiteHawk, known as the “WhiteHawk Exchange”, is an exchange of ideas, solutions, and information on cyber fraud, theft trends and best business practices.
- ❖ WhiteHawk has developed a patent pending artificial intelligence Solution Engine to provide advice on effective and affordable cyber security solutions to protect business assets, operations, and reputation.
- ❖ WhiteHawk is changing buying habits using a globally accessible B2B E-Commerce platform that provides the latest cyber security technology and services available.

## **HIGHLIGHTS FOR THE LAST QUARTER AND YEAR END**

- ❖ WhiteHawk completed a successful IPO, raising AUD\$4.5M within 24 hours in November, supported by institutional and retail investors.
- ❖ As of December 31, 2017, WhiteHawk has a strong balance sheet with a cash balance of US\$3.682M.
- ❖ With the successful raise, WhiteHawk purchased as a wholly owned subsidiary WhiteHawk CEC Inc, the US based cyber security firm.
- ❖ WhiteHawk was admitted to the ASX on Monday, 22 January 2018 with official quotation commenced 24 January 2018.
- ❖ WhiteHawk has negotiated contracts to provide:
  - Services to defence industrial base contractor BAE yielding US\$65K in referral revenue and an estimated US\$1.2M in direct revenue over the next five years.

- Services to US national financial institution Capital One resulting in up to US\$100K in revenue in the first quarter of 2018.
- ❖ Revenues in 2017 were generated through cyber security consulting and lead generation as the Company continued development and testing on the WhiteHawk Exchange.
- ❖ WhiteHawk recognised US\$1.3M in R&D costs in 2017 comprised mostly of in-house development team personnel costs and subcontractor developers. The R&D expenditure has resulted in key developments to the online platform including:
  - The acquisition of in-house talent to provide continuing enhancements to the website
  - Establishment of the e-commerce platform facilitating the purchase of products and advisory services directly online
  - The development of the CyberPath Questionnaire and the CyberPath Solution Engine
  - Creation of a content hub with current cyber security news, commentary from cyber security leaders, the Roberts Reports, and partner content regarding cyber security best practices
  - Development and content work for Release 2.0 of the website with improved customer experience
- ❖ Administrative costs in the fourth quarter included one-time costs totalling US\$115K.

#### **TECHNOLOGY UPDATE**

- ❖ January 2018 saw the release of Version 1.1 of the website offering a basic bundle and the start of driving traffic to the site via online marketing campaigns.
- ❖ Version 2.0 is on track for release in February 2018, incorporating the complete suite of first phase offerings online, UX user authentication improvement, questionnaire implementation, testing and brand building through social media, targeted marketing of high net-worth family offices, and initial business intelligence structure.
- ❖ WhiteHawk's projected technology expenditure is focused on building its development team to include senior software engineers, UI/UX talent and data science analyst, driving customer enablement, and user experience improvements.
- ❖ WhiteHawk will continue to invest in personnel with a focus on Advisory Services and the Development Team. WhiteHawk has

hired a top industry software engineer, architect, and analytics VP, Ms. Soo Kim (starting 1 March), as Director of Product Development working across the Business and the Development Teams.

## MARKETING UPDATE

- ❖ WhiteHawk invested US\$135K in marketing for 2017, a relatively low number as the Company focused on its IPO capital raise.
- ❖ The Company is poised to execute a targeted marketing campaign once the Version 2.0 of the platform is fully operational.
- ❖ WhiteHawk is working with a highly regarded, San Francisco-based marketing firm that specializes in E-Commerce and digital sales.
- ❖ WhiteHawk has developed a comprehensive strategy with benchmarks was developed and is being executed to include: content strategy, site strategy, online campaigns, PR and sales channel research, and development.

## 2018 OUTLOOK

- ❖ WhiteHawk expects initial 2018 revenue of around US\$0.6 from contracts generated through its cyber security advisory arm and has a strong pipeline of work pending. This contracted revenue will supplement revenue as the 2.0 and 3.0 Solution Engine versions are being developed for full onboarding to the website in February and July of 2018.
- ❖ WhiteHawk has three primary revenue streams; products and services, advisory services bundles, and business intelligence supplied for subscribers. The Company has reevaluated revenue streams to be equally focused on product sales and Advisory Service Bundles. During 2018, four levels of product and service bundles will be developed; basic, balanced, cloud, and advanced, each being cumulative of the previous lower tier.
- ❖ All three revenue streams are dependent on driving website traffic either organically or via strategic channel partners. WhiteHawk is refining a comprehensive digital marketing strategy and building a network of Channel Partners to increase website visits and conversion to buying customers as part of a 360 approach.
- ❖ WhiteHawk plans to file two US patent applications for the Solution Engine in February.
- ❖ In addition to US Trademark, applications will be filed in China and Australia within the first quarter of 2018.

**For further information, please contact:**

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WhiteHawk investor inquiries  
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**About WhiteHawk**

Launched in 2016, WhiteHawk began as a cyber security advisory service with a vision to develop the first self-service cyber security exchange simplifying how businesses discover, decide, and purchase cyber security solutions. Today, we help US and Australian companies to connect to content, solutions, and service providers through evolving our rich data and user experience.

WhiteHawk is a cloud-based cyber security exchange platform that delivers 'solutions on demand' for small to midsize enterprises. The platform enables customers to leverage their custom Security Story to find cyber tools, content, and relevant services through our algorithms to better understand how to improve and stay ahead of threats. The Platform enables companies to fill their needs on an ongoing basis with demonstrated cost and time savings.

For more information, please visit [www.whitehawk.com](http://www.whitehawk.com).

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## Appendix 4C

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

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

WhiteHawk Limited

**ABN**

97 620 459 823

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

31 December 2017

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	19	86
1.2 Payments for		
(a) research and development	(324)	(1,300)
(b) product manufacturing and operating costs	(11)	(12)
(c) advertising and marketing	(57)	(135)
(d) leased assets	-	-
(e) staff costs	(147)	(589)
(f) administration and corporate costs	(271)	(402)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Listing expenses paid)	(66)	(66)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(857)</b>	<b>(2,416)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(28)
(b) businesses (see item 10)	-	-
(c) investments	-	-

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Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
(d) intellectual property	-	-
(e) other non-current assets (Bonds paid)		(24)
<b>2.2</b> Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (provide details if material)	-	-
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	-	<b>(52)</b>

<b>3.</b> <b>Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	3,390	3,390
3.2 Proceeds from issue of convertible notes	719	2,270
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(14)	(126)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10</b> <b>Net cash from / (used in) financing activities</b>	<b>4,095</b>	<b>5,534</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 quarter/year to date	432	604
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(857)	(2,416)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(52)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4,095	5,534

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (12 months) \$US'000</b>
4.5	Effect of movement in exchange rates on cash held	12	12
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>3,682</b>	<b>3,682</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$US'000</b>	<b>Previous quarter \$US'000</b>
5.1	Bank balances	949	45
5.2	Call deposits	2,733	387
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>3,682</b>	<b>432</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$US'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	35
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

N/A

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$US'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	115
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$US'000</b>
9.1 Research and development	(325)
9.2 Product manufacturing and operating costs	(150)
9.3 Advertising and marketing	(75)
9.4 Leased assets	-
9.5 Staff costs	(150)
9.6 Administration and corporate costs	(180)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(880)</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	WhiteHawk CEC Inc	N/A
10.2 Place of incorporation or registration	Delaware USA	
10.3 Consideration for acquisition or disposal	8,437,500 Ordinary Shares and 72,000,000 Performance Shares in WhiteHawk Limited.	
10.4 Total net assets	(\$US2,617,604)	
10.5 Nature of business	Cyber Security Advisory	

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**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.

Sign here:  .....  
(Director/Company secretary)

Date: 31 January 2018 .....

Print name: Kevin Kye .....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.

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