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WHITEHAWK

APPENDIX 4E

FOR THE PERIOD ENDED
31 DECEMBER 2017

WHITEHAWK LIMITED

WhiteHawk Limited (ASX: WHK) (“WhiteHawk” or “the Company”), the first global online CyberSecurity 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 ended December 31, 2017.

HIGHLIGHTS:

- ❖ WhiteHawk completed a successful IPO, raising AUD\$4.5M strongly 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 acquired 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 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, resulting in US\$50K in revenue in the first quarter of 2018.

WHITEHAWK LIMITED, the first global online CyberSecurity Exchange enabling small and midsize businesses to take smart action against cyber-crime and fraud, today released its Appendix 4E Preliminary Final Report for the year ended 31 December 2017.

In 2017, WhiteHawk's top priority was the implementation of the online Exchange platform and Decision Engine, which are the main pillars of the WhiteHawk business model. As a result of increased resources being dedicated to the advancement of the online platform and growth of vendor offerings, Executive Consulting services were reduced which led to weaker than expected revenues. Revenue in 2017 was also supported by lead generation in U.S. government contracting which was impacted by U.S. budget delays, reducing projected revenue by approximately 50 percent.

WhiteHawk's Subcontract awards were delayed by Prime Contractor, resulting in a delay of invoicing of US\$113K, to be pushed back until 2018.

Website Development costs in 2017 were US\$1.3M, comprised mostly of in-house development team personnel costs and subcontractor development services. The R&D expenditure has resulted in key developments to the online platform and Decision Engine including:

- Acquisition of in-house development and data science talent.
- Stand-up of the E-Commerce platform enabling the purchase of products and advisory services directly online.
- Reviewing and onboarding of over 500 products and services.
- Decision Engine (CyberPath) online Questionnaire and the CyberPath development.

2018 OUTLOOK

WhiteHawk expects revenue from contracts generated through its cyber security virtual advisory arm and has a strong pipeline of work pending. This contracted revenue will supplement revenue as the 2.0 website redesign (user experience) and 2.1 Decision Engine Release (identifying industry risks & customer needs) versions are being developed, tested and deployed to the website in February and April of 2018, respectively.

WhiteHawk has three primary online revenue streams; online sales of products and services, virtual advisory service bundles, and business intelligence supplied for subscribers. The Company has reevaluated revenue streams to be equally focused on product sales and Advisory Service Bundles sales. 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 online 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 and offerings to drive website visits and online sales conversion to buying customer companies.

Post balance date WhiteHawk has filed one US patent application for the Decision Engine in February 2018.

US Trademark applications were filed in China and Australia in the first quarter of 2018.

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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 CyberSecurity 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 an online CyberSecurity Exchange 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.

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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 2017

Previous corresponding period:

Year ended 31 December 2016

2. Results for announcement to the market

Current Period
2017
US\$

2.1	Revenue from ordinary activities	Down	61%	to	86,437
2.2	Loss from ordinary activities for the period after tax attributable to members	Up	2,210%	to	4,833,859
2.3	Net loss for the period attributable to members	Up	2,257%	to	4,987,373
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:

The large movement in the loss from ordinary activities after tax is attributable to:

- Increase in employee benefits expense as WhiteHawk expanded from 2 Full Time Employees (FTE) in 2016 to 12 in 2017 with 5 seasonal interns focusing on key objectives of the company;
- One off share based payments expense relate to non-cash issuance of performance rights;
- Additional one-off costs were also incurred in listing on the Australian Stock Exchange, including professional fees and transaction fees, and completing the reverse acquisition of WhiteHawk CEC Inc.
- Finance costs increased in the financial year due to conversion of convertible notes facility into share capital at the time of listing, where the interest and liability components were paid out.

- Investment focus in 2017 on the development of the architecture and implementation of the Exchange which is the pillar of the WhiteHawk business model. 2017 revenues do not include those amounts relating to WhiteHawk subcontract invoicing of US\$113K which is expected to be in invoiced in 2018. 2017 revenues were generated through cyber security consulting and lead generation.

3. Consolidated Statement of Comprehensive Income

	Current Period 2017 US\$	Previous Period 2016 US\$
Revenues from continuing operations	86,437	219,488
Cost of goods sold	(49,540)	-
Gross profit	36,897	219,488
Other income	2,130	30,914
License fees and patent expense	(1,569)	(490)
Professional expenses	(169,524)	(18,347)
Employee benefits expense	(624,556)	(246,689)
Share based payments expense	(2,040,438)	(57,941)
IT expenditure	(12,209)	(483)
Conference and travel expenditure	(66,887)	(23,951)
Marketing expenditure	(130,670)	(5,114)
Office and occupancy expenses	(140,730)	(23,202)
Depreciation	(12,073)	(3,574)
Finance costs	(263,048)	(74,436)
Foreign exchange loss	(30,590)	-
General and administration expenses	(75,189)	(5,458)
Costs of listing	(1,305,402)	-
Loss before income tax	(4,833,858)	(209,283)
Income tax (expense) / benefit	-	-
Loss after income tax expense from continuing operations	(4,833,858)	(209,283)
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations, net of tax	(153,515)	(2,286)
Total other comprehensive income	(153,515)	(2,286)
Total comprehensive loss for the year	(4,987,373)	(211,569)
Attributable to:		
Members of the Parent Company	(4,987,373)	(211,569)
Basic loss per share	(US\$0.48)	(US\$1,835.86)
Diluted loss per share	(US\$0.48)	(US\$1,835.86)

4. Consolidated Statement of Financial Position

	Current Period 31 December 2017 US\$	Previous Period 31 December 2016 US\$
Current Assets		
Cash and cash equivalents	3,681,997	603,755
Trade and other receivables	89,774	486,940
Total Current Assets	3,771,771	1,090,695
Non-Current Assets		
Property, plant and equipment	25,559	9,297
Website development costs	1,310,680	-
Total Non-Current Assets	1,336,239	9,297
Total Assets	5,108,010	1,099,992
Current Liabilities		
Trade and other payables	761,319	42,768
Financial liabilities	256,874	754,115
Total Current Liabilities	1,018,193	796,883
Non-Current Liabilities		
Financial liabilities	-	252,010
Total Non-Current Liabilities	-	252,010
Total Liabilities	1,018,193	1,048,893
Net Assets	4,089,817	51,099
Equity		
Issued capital	7,299,960	314,307
Reserves	1,886,923	-
Accumulated losses	(5,097,066)	(263,208)
Total Equity	4,089,817	51,099

5. Consolidated Statement of Cash Flows

	Current Period 31 December 2017 \$	Previous Period 31 December 2016 \$
Cash flows from operating activities		
Receipts from customers	85,979	193,533
Payments to suppliers and employees	(1,126,845)	(284,609)
Interest received	1,973	752
Listing expenses paid	(66,297)	-
Net cash used in operating activities	(1,105,190)	(90,324)
Cash flows from investing activities		
Purchase of property, plant and equipment	(28,335)	(13,239)
Website development costs paid	(1,310,680)	-
Bonds paid	(23,456)	-
Net cash used in investing activities	(1,362,471)	(13,239)
Cash flows from financing activities		
Proceeds from issue of shares	3,389,850	-
Promissory note proceeds received	-	250,061
Convertible loan proceeds received	2,270,381	303,545
Transaction costs related to issues of shares, convertible notes or options	(126,030)	(53,545)
Net cash provided by financing activities	5,534,201	500,061
Net increase in cash held	3,066,540	396,498
Cash and cash equivalents at the beginning of the year	603,755	207,257
Effects of exchange rate changes on cash	11,702	-
Cash and cash equivalents at the end of the year	3,681,997	603,755

6. Consolidated Statement of Changes in Equity

	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 January 2017	314,307	-	(263,208)	51,099
Loss for the year	-	-	(4,833,858)	(4,833,858)
Other comprehensive income	-	(153,515)	-	(153,515)
Total comprehensive loss for the year	-	(153,515)	(4,833,858)	(4,987,373)
Transactions with owners in their capacity as owners:				
Issued capital net of issued costs	6,995,537	-	-	6,995,537
Shares redeemed	(9,884)	-	-	(9,884)
Performance rights issued	-	2,040,438	-	2,040,438
Balance at 31 December 2017	7,299,960	1,886,923	(5,097,066)	4,089,817
Balance at 1 January 2016	255,000	-	(53,925)	201,075
Loss for the year	-	-	(209,283)	(209,283)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(209,283)	(209,283)
Transactions with owners in their capacity as owners:				
Issued capital net of issued costs	59,307	-	-	59,307
Balance at 31 December 2016	314,307	-	(263,208)	51,099

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
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9. Consolidated accumulated losses

	Current Period 2017 \$	Previous Period 2016 \$
Accumulated losses at the beginning of the financial period	(263,208)	(53,925)
Net loss attributable to members	(4,833,858)	(209,283)
Accumulated losses at end of financial period	(5,097,066)	(263,208)

10. NTA backing

	Current Period 2017 \$	Previous Period 2016 \$
Net tangible asset backing (deficiency) per ordinary share	0.04	0.0055

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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:

On 20 December 2017, the Company successfully acquired WhiteHawk. This transaction is treated as a reverse acquisition for accounting purposes, the chief outcome of which is that the WhiteHawk is treated as the accounting acquirer and the comparative information presented for the 2016 financial year is that of WhiteHawk.

WhiteHawk does not vend directly to the US Federal Government, but is a subcontractor supporting prime contractors generating revenue by direct invoicing for consulting services to the prime contractor and collecting referral revenue from referred other subcontractors. US Federal Government may delay release of contracts to prime contractor which can result in delay of revenue generation by the Company. WhiteHawk's business model does not rely on traditional consulting service revenue as a mainstream of revenue, but uses the revenue stream to support WhiteHawk during the online platform and sales development phase.

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 2017	Previous Period 2016
Basic Loss per share	(US\$0.48)	(US\$1,360.30)

13.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2017 \$	Previous Period 2016 \$
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

There was a significant increase in all operating expenses, in particular employee expenses in the year as the Group invested in key talent to accelerate commercial delivery of its web platform.

WhiteHawk grew from 2 Full Time Employees (FTE) in 2016 to 12 FTEs and 5 seasonal interns in 2017.

WhiteHawk occupied offices in Alexandria, Virginia, in the United States through the execution of a formal lease agreement in June 2017. On October 1, 2017 WhiteHawk closed the Baltimore Development Center and combined all employees into one location in Alexandria, VA, USA. The offices are in close proximity to the epicentre for the world's cyber industry and location of the National Security Agency, Central Intelligence Agency, Defense Intelligence Agency, Cyber Command (and three of the four military branch's cyber commands).

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.

The Group operates in one segment being technology development specialising in online cyber security assessments and sales. WhiteHawk is organised as a Delaware USA corporation with operations based in Virginia, USA.

13.5 Report on trends in performance

Cashflows

The Group successfully raised AUD\$4.5m (US\$3.39m) share capital, excluding raising costs. Operating cash outflows increased substantially in the second half of the year as the Group invested in its development talent and delivery capabilities as it aims to accelerate commercial readiness of its web platform.

Revenue

2017 revenues were generated through cyber security consulting and lead generation and were less than projected due to WhiteHawk's primary focus on implementing the Exchange which is the pillar of the WhiteHawk business and revenue model. WhiteHawk's Subcontract awards were delayed by the Prime Contractor, resulting in delay of potential invoicing of US\$113K in 2017.

Expenses

The large movement in the profit from ordinary activities after tax is attributable to increased costs incurred by the Group as it:

- Increase in employee benefits expense as WhiteHawk expanded from 2 Full Time Employees (FTE) in 2016 to 12 in 2017 with 5 seasonal interns focusing on key objectives of the company;
- One off share based payments expense relating to issue of performance rights;
- Significant one-off costs were also incurred in listing on the Australian Stock Exchange, including professional fees and transaction fees, and completing the reverse acquisition of WhiteHawk CEC Inc.

Balance Sheet

The Group had cash and cash equivalents at 31 December 2017 of US\$3.68 million US\$1.3M in R&D costs were capitalised by WhiteHawk in 2017

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.

WhiteHawk is targeting an untapped Small to Medium Business (SMB) Market and evolving consumer behaviour by providing on-line solutions for potential business risks.

Cyber Security is growing in awareness, but not in understanding and not easily defined by a pre-determined set of products and services. One size does not fit all.

WhiteHawk is integrating, testing and marketing a unique approach to B2B E-Commerce sales of complex technologies.

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. | <input type="checkbox"/> | The accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | 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: 28 February 2018

Print name:

Teresa Roberts
Chief Executive Officer