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## SUPPLEMENTARY PROSPECTUS

iSignthis Limited ACN 075 419 715 (formerly Otis Energy Limited)

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### 1. Important Information

This Supplementary Prospectus is dated 29 January 2015 and is supplementary to the prospectus dated 22 December 2014 (**Prospectus**) issued by iSignthis Limited (ACN 075 419 715) formerly Otis Energy Limited (**Company**).

This Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 29 January 2015. ASIC does not take any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail. Terms defined in the Prospectus have the same meaning as in this Supplementary Prospectus. For the avoidance of doubt, references to 'Section' in this Supplementary Prospectus mean references to that section of the Prospectus, unless otherwise stated.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the internet at [www.otisengery.com](http://www.otisengery.com). This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents.

Other than the changes set out below, all other details in relation to the Prospectus remain unchanged.

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### 2. Reasons for Supplementary Prospectus

#### 2.1 Purpose of this document

The purpose of this Supplementary Prospectus is to provide:

- (a) a summary of the background of the Vendor and the iSignthis assets;
- (b) further information in relation to the sale of the current assets of the Company;
- (c) an update on certain disclosures in the Investigating Accountant's Report in Section 10 of the Prospectus; and
- (d) an update on the assignment of the patent and patent applications and the grant of the patent applications.

## 2.2 Content Supplemented

The Prospectus is supplemented by making the amendments to the Prospectus set out in section 3 of this Supplementary Prospectus.

## 2.3 Application Forms

Applicants who have subscribed for Shares under the Prospectus to the date of this Supplementary Prospectus will be given this Supplementary Prospectus, and have 1 month from the date of this Supplementary Prospectus to withdraw their Application and be repaid.

**Applicants who have previously lodged an Application Form and do not want to withdraw do not need to do anything.**

Applicants who have subscribed for Shares under the Prospectus prior to the date of this Supplementary Prospectus who wish to elect to withdraw can do so by giving notice in writing to the Company, at the address iSignthis Limited c/ - Link Market Services Limited Locked Bag A14 Sydney South NSW 1235, so that it is received within 1 month of the date of this Supplementary Prospectus. Applicants giving a withdrawal notice will be refunded their Application Monies in full without interest. The details for the payment of the refund cheque and address to which it should be sent contained in the written withdrawal request must correspond with the details contained in the Application Form.

Applications made after the date of this Supplementary Prospectus must not be made on the application form attached to or accompanying the Prospectus rather they should be made using the application form accompanying a copy of this Supplementary Prospectus and the Prospectus (**Supplementary Application Form**). The Supplementary Application Form contains detailed instructions on how it is to be completed and returned. New Applicants must return the Supplementary Application Form together with Application Monies as directed on the Application Form.

## 3. Content Supplemented

### 3.1 Timetable

As a result of lodging the Supplementary Prospectus the Company advises the below in relation to the indicative timetable:

Indicative Timetable	
Last date for receipt of withdrawals by the Company	2 March 2015
Completion of Acquisition and issue of Shares to the Vendor	3 March 2015
Issue of Shares under the Offer	3 March 2015
Dispatch of holding statements	4 March 2015
Expected date for Shares to be reinstated to trading on ASX	6 March 2015

**This is a supplementary prospectus intended to be read with the prospectus dated 22 December 2014 issued by iSignthis Limited (ACN 075 419 715) formerly Otis Energy Limited.**

Note: The above dates in the table are indicative only and may be varied subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary any of the above dates, which may have a consequential effect on the other dates.

### **3.2 Background of the Vendor and iSignthis assets**

The Vendor is a British Virgin Islands incorporated technology development company. The technology and business operations being sold to the Company are one of a suite of technology assets owned and being developed by the Vendor. The Acquisition is occurring by the Company acquiring two companies being iSignthis BV, a Dutch incorporated company, and ISX IP Ltd, a BVI incorporated company (together referred to as iSignthis). Both of these companies are newly incorporated. ISX IP Ltd to hold the relevant patents and iSignthis BV to conduct the business operations. This restructure of the assets was undertaken by the Vendor for ease of transacting with the Company as it was not possible for the Company to acquire the Vendor as it holds other assets which are not the subject of the Acquisition. The other assets include companies that offer professional services, IT and other software companies.

To 30 September 2014 the Vendor has expended \$1,259,000 on the development and commercialisation of the iSignthis product since early 2008.

To date the Vendor has developed the technology being acquired through the efforts of Mr Nickolas John Karantzis. As part of the Acquisition the Company has negotiated that Mr Karantzis will join the Company as the managing director. Mr Karantzis is the inventor of the iSignthis assets and is the key person responsible for their development to their current position. This means that the Company will have all of the skills and expertise that the Vendor had with respect to the development of the technology and business operations being sold to the Company as part of the Acquisition.

It is not envisaged that the Vendor will have any involvement in the daily operation of the Company post completion of the Acquisition. However it is noted the Vendor will be a major shareholder of the Company as a result of the issue of Shares as consideration for the Acquisition.

For the reasons set out above and as a result of the business operations now entering the commercialisation phase, the Vendors financial and operating history is not relevant to the investors in the Company other than as set out in this Supplementary Prospectus and Prospectus.

### **3.3 Further information on the sale of current assets of the Company**

At the end of the last paragraph of Section 7.7 of the Prospectus add the following words:

The Company notes that these assets could have some potentially significant environmental sensitivities which could result in future significant liabilities. One of the

key objectives of the Company in disposing of these assets was to dispose of the entities which hold the assets and accordingly such liability.

The purchase price for the transaction with the related entity of Mr Willesee was determined and presented by that entity to the Company. The Company considered the proposal and through discussion determined that this was the best and final terms that the entity was prepared to offer. Having gone through sale process in respect of the assets and this being the only proposal which achieved the Company's objectives the Board formed the view that the terms in the proposal from the entity associated with Mr Willesee would be reasonable in the circumstances if the Company and the entity were dealing at arm's length. Given the non-material nature of these assets and the view of the Board regarding the terms shareholder approval is not proposed to be sought for the sale of the assets.

### **3.4 Updating Investigating Accountant's Report.**

Since the lodgement of the Prospectus the Company has made a decision that it is prudent that the initial fair value of the intellectual property acquired as part of the Acquisition be recognised on the basis of historical cost as the Company does not have hard revenue forecasts to disclose in the Prospectus to support the carrying of the intellectual property at the original amount of \$7.895million recognised for the intellectual property in the Statement of Financial Position of iSignthis included in the original Prospectus. This change in fair value methodology results in a material reduction in the value of the intellectual property recognised in the Statement of Financial Position of iSignthis included in the original Prospectus from \$7.895million to \$1.259 million recognised in the revised Investigating Accountant's Report in Annexure A to this Supplementary Prospectus. Investors must:

- (a) not rely on, and should completely disregard, the value of the intellectual property of \$7.895million disclosed in the Investigating Accountant's Report in the Prospectus; and
- (b) not attribute a value to the intellectual property of \$7.895 million,

as to do so is not appropriate as detailed above.

Investor should solely have regard to the disclosures in this Supplementary Prospectus and the Prospectus (as supplemented by this Supplementary Prospectus) including the revised Statement of Financial Position of the Company in the revised Investigating Accountant's Report in Annexure A to this Supplementary Prospectus.

Justification for adopting the value of the intellectual property being acquired at historical costs includes:

- (a) The historical costs reflect direct development costs, allocated management costs, marketing and legal costs. In the Company's opinion, these costs reflect savings to a potential acquirer and would be a minimum amount an acquirer would pay for the intellectual property, once the additional points below have been considered;

- (b) There are three contracts currently in place which support the commercialisation of the intellectual property. The contracts indicate a demand for the services derived and offered by iSignthis using the intellectual property and also an acceptance in the market place of the same. These contracts have been negotiated with independent parties at arms length, demonstrating market acceptance of the value of the company's services;
- (c) Development costs to date have resulted in identifiable intellectual property and related software necessary to implement business operations related to the use of the intellectual property. This has also resulted in five patents being registered in certain jurisdictions and 14 patent applications pending in other jurisdictions, which excludes the use of the intellectual property by other parties in the various jurisdictions; and
- (d) The intellectual property relates to the growing AML KYC market which is expected to grow in value due to increases in online transactions and increasing regulatory requirements of participants to comply with AML requirements. Other applications include providing a basis for compliance by payment service providers with European Central Bank's and European Banking Authority's 'Strong Customer Authentication' SecuRE-Pay requirements, which are mandatory for all internet payments in the EU28 and Single Euro Payment Area (SEPA) effective from 1 August 2015.

Accordingly, Section 10 of the Prospectus is amended by replacing the Investigating Accountant's Report with the updated Investigating Accountant's Report included as Annexure A to this Supplementary Prospectus.

### **3.5 Update on patents**

As detailed in the Patent Report in Section 11 of the Prospectus the Vendor is in the process of assigning the patents to ISX IP Ltd. As disclosed in Table 1 of the Patent Report in Section 11 of the Prospectus, assignments in respect of all patent applications (except those for Brazil and Republic of Korea which are in the process of preparation) have been executed and are in the process of being lodged with the relevant patent offices around the world. Since the lodgement of the Prospectus the assignments of the Australian, Chinese, European Patent Office, USA New Zealand and Swedish patents and patent applications are now registered with the relevant Patent Offices in the name of ISX IP Ltd.

The registrations of the balance of the patent assignments will occur in the near future as each of the patent offices processes the request for assignment. Under the terms of the Acquisition Agreement the Vendor is required to do all things necessary to procure the registration of the patents and patent applications in the name of ISX IP Ltd. Until such time as such registrations are achieved the Vendor, from Completion, will exercise the rights at the direction of and in the name of ISX IP Ltd.

The process of the grant of the various patent applications is progressing, investors should note the timing of the grant of the patent applications is uncertain and in a

large part dependent on the timing of the grant process in the relevant jurisdictions including the examination process. Delay in, or failure to obtain, grant of the balance of the patent applications will not delay or prohibit the proposed operations of the Company.

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#### **4. Consent**

RSM Bird Cameron Corporate Pty Ltd has given its written consent to being named as the Company's Investigating Accountant in this Supplementary Prospectus and the inclusion of the updated Investigating Accountant's Report in Annexure A and all statements referring to and based on the updated Investigating Accountant's Report in the Supplementary Prospectus in the form and context in which they are recorded. RSM Bird Cameron Corporate Pty Ltd has not caused or authorised the issue of this Supplementary Prospectus with ASIC.

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#### **5. Directors' Authorisation**

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

Mr Barnaby Egerton-Warburton  
Director  
iSignthis Limited  
29 January 2015

**Annexure A**

Direct: 08 9261 9447  
Email: [andy.gilmour@rsmi.com.au](mailto:andy.gilmour@rsmi.com.au)

AJG/PG/MJ  
29 January 2015

The Directors  
iSignthis Limited  
(formerly Otis Energy Limited)  
Suite 25, 145 Stirling Highway  
Nedlands WA 6009

Dear Directors

## **Supplementary Investigating Accountant's Report**

### **Independent Limited Assurance Report ("Report") on iSignthis Limited's (formerly Otis Energy Limited) historical and pro forma historical financial information and Financial Services Guide**

#### **1. Introduction**

We have been engaged by iSignthis Limited (formerly Otis Energy Limited - "OTE" or "Company") to report on the historical financial information and pro forma historical financial information of OTE as at and for the year ended 30 June 2014 and the three months ended 30 September 2014 for inclusion in the prospectus ("Prospectus") of OTE, pursuant to which the Company is offering 103,333,333 OTE shares at an issue price of \$0.03 per share to raise \$3,100,000 ("Capital Raising") dated on or about 22 December 2014 as supplemented by the Supplementary Prospectus date 29 January 2015.

Expressions and terms defined in the Prospectus have the same meaning in this Report.

#### **2. Background**

OTE is an ASX listed company. On 4 September 2014 OTE announced that it had entered into a Binding Term Sheet to acquire 100% of the issued share capital of iSignthis BV and ISX IP Ltd (together "iSignthis") ("Acquisition"). The Acquisition required approval by a vote of OTE shareholders at a General Meeting held on 22 December 2014. In consideration for the Acquisition, OTE will issue to the shareholders of iSignthis up to 298,333,333 ordinary OTE shares and 336,666,667 performance OTE shares ("Takeover Offer") in the following tranches.

- 298,333,333 fully paid ordinary shares at settlement ("Shares");
- 112,222,222 Class A Performance Shares which convert on achievement, within three (3) full financial years of Completion, of revenue over a 6 month reporting period equivalent, on an annualised basis, to annual revenue of at least \$5,000,000 (Milestone A), each Class A Performance Share will convert on a one for one basis into a Share;



- 112,222,222 Class B Performance Shares which convert on achievement, within three (3) full financial years of Completion, of revenue over a 6 month reporting period equivalent, on an annualised basis, to annual revenue of at least \$7,500,000 (Milestone B), each Class B Performance Share will convert on a one for one basis into a Share; and
- 112,222,223 Class C Performance Shares which convert on achievement, within three (3) full financial years of Completion, of revenue over a 6 month reporting period equivalent, on an annualised basis, to annual revenue of at least \$10,000,000 (Milestone C), each Class C Performance Share will convert on a one for one basis into Share.

### 3. Scope

#### *Historical financial information*

You have requested RSM Bird Cameron Corporate Pty Ltd to review the following historical financial information of OTE ("the responsible party") and iSignthis included in the Prospectus at the Appendix to this Report:

- the Consolidated Statement of Comprehensive Income for the year ended 30 June 2014 of OTE and three months ended 30 September 2014 of both OTE and iSignthis; and
- the Consolidated Statements of Financial Position as at 30 September 2014 of both OTE and iSignthis.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and OTE's and iSignthis adopted accounting policies. The historical financial information has been extracted from:

- the financial report of OTE for the year ended 30 June 2014, which was audited by Hayes Knight Audit, in accordance with the Australian Auditing Standards, and 30 September 2014 reviewed accounts of OTE. Hayes Knight Audit issued an unqualified audit opinion for 30 June 2014 and an unqualified review report for the period ended 30 September 2014; and
- the financial report of iSignthis for the period ended 30 September 2014, which was reviewed by Hayes Knight Audit and an unqualified review report was issued. There are no financial accounts for iSignthis for the year ended 30 June 2014 as operations had not commenced.

The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

#### *Pro forma historical financial information*

You have requested RSM Bird Cameron Corporate Pty Ltd to review the pro forma historical Consolidated Statement of Financial Position as at 30 September 2014 referred to as "the pro forma historical financial information".

The pro forma historical financial information has been derived from the historical financial information of OTE and iSignthis, after adjusting for the effects of pro forma adjustments described in Note 1 of the Appendix of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Note 1 of the Appendix of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Company's actual or prospective financial position or statement of comprehensive income, and/or cash flows.

#### **4. Directors' responsibility**

The Directors of OTE and iSignthis are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

#### **5. Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making such enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- a consistency check of the application of the stated basis of preparation, to the historical and pro forma historical financial information;
- a review of OTE's, iSignthis and their auditors work papers, accounting records and other documents; and
- enquiry of directors, management personnel and advisors.

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 reasonable 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.

#### **6. Conclusions**

##### *Historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in the Appendix to this Report, and comprising:

- the Consolidated Statement of Comprehensive Income for the year ended 30 June 2014 of OTE and the three month period ended 30 September 2014 of both OTE and iSignthis; and
- the Consolidated Statements of Financial Position as at 30 September 2014 of both OTE and iSignthis.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Note 1 of the Appendix to this Report.

*Pro Forma historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information, as described in the Appendix to this Report, and comprising the Consolidated Statements of Financial Position as at 30 September 2014 of both OTE and iSignthis are not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Section 3 of this Report.

**7. Restriction on Use**

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

**8. Responsibility**

RSM Bird Cameron Corporate Pty Ltd has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM Bird Cameron Corporate Pty Ltd has not authorised the issue of the Prospectus. Accordingly, RSM Bird Cameron Corporate Pty Ltd makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

**9. Disclosure of Interest**

RSM Bird Cameron Corporate Pty Ltd does not have any interest in the outcome of the Capital Raising or Acquisition other than the preparation of this Report for which normal professional fees will be received.

Yours faithfully



A J GILMOUR  
Director

## Appendix A – Historical and pro forma financial information

### OTIS ENERGY LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	<b>OTE Audited 30-Jun-14 \$</b>
Income	599,611
Depreciation of oil producing assets	(94,199)
Employee benefits expense	(337,413)
Depreciation and amortisation expense	(2,147)
Impairment expense	(2,175,307)
Loss on revaluation of held for sale investments	(6,282)
Consultancy and management expenses	(91,972)
Share based payments.	-
Other expenses	<u>(454,694)</u>
<b>Loss before income tax expense</b>	<b>(2,562,403)</b>
Income tax	-
<b>Loss for the period</b>	<b><u>(2,562,403)</u></b>
Other comprehensive income	<u>(65,308)</u>
<b>Total comprehensive loss for the period</b>	<b><u><u>(2,627,711)</u></u></b>

*\*There are no balances at 30 June 2014 for iSignthis as operations had not commenced.*

Appendix A – Historical and pro forma financial information

**OTIS ENERGY LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

	OTE Reviewed 30-Sep-14 \$	iSignthis Reviewed 30-Sep-14 \$	Pro-forma Unaudited 30-Sep-14 \$
Income	54,825	163	54,988
Employee benefits expense	(70,095)	-	(70,095)
Depreciation and amortisation expense	(1,326)	-	(1,326)
Loss on revaluation of held for sale investments	(37,289)	-	(37,289)
Consultancy and management expenses	(12,000)	-	(12,000)
Other expenses	(162,105)	(58,802)	(220,907)
<b>Loss before income tax expense</b>	<b>(227,990)</b>	<b>(58,639)</b>	<b>(286,629)</b>
Income tax	-	-	-
<b>Loss for the period</b>	<b>(227,990)</b>	<b>(58,639)</b>	<b>(286,629)</b>
Other comprehensive income	23,271	-	23,271
<b>Total comprehensive loss for the period</b>	<b>(204,719)</b>	<b>(58,639)</b>	<b>(263,358)</b>

Appendix A – Historical and pro forma financial information

**OTIS ENERGY LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2014**

	Note	Reviewed OTE 30-Sep-14 \$	Reviewed iSignthis 30-Sep-14 \$	Subsequent events 30-Sep-14 \$	Pro forma adjustments 30-Sep-14 \$	Pro forma unaudited 30-Sep-14 \$
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	2	1,666,634	68,471	-	2,570,000	4,305,105
Trade and other receivables	3	16,137	504	-	-	16,641
Other assets		58,419	-	-	-	58,419
<b>Total current assets</b>		<b>1,741,190</b>	<b>68,975</b>	<b>-</b>	<b>2,570,000</b>	<b>4,380,165</b>
<b>NON-CURRENT ASSETS</b>						
Receivable	3	100,000	-	200,000	(300,000)	-
Intellectual property	4	-	1,259,000	-	-	1,259,000
<b>Total non-current assets</b>		<b>100,000</b>	<b>1,259,000</b>	<b>200,000</b>	<b>(300,000)</b>	<b>1,259,000</b>
<b>Total assets</b>		<b>1,841,190</b>	<b>1,327,975</b>	<b>200,000</b>	<b>2,270,000</b>	<b>5,639,165</b>
<b>CURRENT LIABILITIES</b>						
Trade and other payables	5	99,499	27,613	-	-	127,112
Employee benefits		24,402	-	-	-	24,402
<b>Total current liabilities</b>		<b>123,901</b>	<b>27,613</b>	<b>-</b>	<b>-</b>	<b>151,514</b>
<b>NON-CURRENT LIABILITIES</b>						
Loans and borrowings	6	-	100,000	200,000	(300,000)	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>100,000</b>	<b>200,000</b>	<b>(300,000)</b>	<b>-</b>
<b>Total liabilities</b>		<b>123,901</b>	<b>127,613</b>	<b>200,000</b>	<b>(300,000)</b>	<b>151,514</b>
<b>NET ASSETS</b>		<b>1,717,289</b>	<b>1,200,362</b>	<b>-</b>	<b>2,570,000</b>	<b>5,487,651</b>
<b>EQUITY</b>						
Share capital	8	81,227,362	1,259,001	-	(73,611,168)	8,875,195
Reserves	9	967,636	-	-	(967,636)	-
Accumulated losses	10	(80,477,709)	(58,639)	-	77,148,804	(3,387,544)
<b>Total equity</b>		<b>1,717,289</b>	<b>1,200,362</b>	<b>-</b>	<b>2,570,000</b>	<b>5,487,651</b>

The unaudited consolidated pro forma consolidated statement of financial position represents the reviewed consolidated statement of financial position of the Company as at 30 September 2014 adjusted for the subsequent events and pro-forma transactions outlined in Note 1 of this Appendix. It should be read in conjunction with the notes to the historical and pro forma financial information.

## Appendix A – Historical and pro forma financial information

### OTIS ENERGY LIMITED NOTES TO THE HISTORICAL AND PRO-FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2014

#### 1. Introduction

The financial information set out in this Appendix consists of the Consolidated Statement of Financial Position as at 30 September 2014 and the Statements of Comprehensive Income for the year ended 30 June 2014 and the three month period ended 30 September 2014 (“the historical financial information”) together with a Pro Forma Consolidated Statement of Financial Position and Pro Forma Consolidated Statements of Comprehensive income reflecting the Directors’ pro forma adjustments (“the Pro Forma Consolidated Financial Information”).

The Pro Forma Consolidated Financial information has been compiled by adjusting the Consolidated Statement of Financial Position and Consolidated Statements of Comprehensive Income of the Company as at 30 September 2014 for the impact of the following subsequent events:

#### Adjustments adopted in compiling the pro forma historical financial information

The pro forma historical consolidated statement of financial position as at 30 September 2014 has been prepared by adjusting the reviewed consolidated statement of financial position of OTE as at 30 September 2014 and the reviewed consolidated statement of financial position of iSignthis as at 30 September 2014, to reflect the financial effects of the following subsequent events which have occurred in the period since 30 September 2014 and the date of this Report:

- Subsequent to 30 September 2014 the OTE made the final two tranche payments to iSignthis Ltd. OTE had previously entered into a funding agreement which would see up to \$300,000 transferred to iSignthis as part of the 100% acquisition of iSignthis and its relevant subsidiaries.

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the Acquisition and the Capital Raising.

- The consolidation of OTE’s ordinary shares on a ratio of 10:1;
- The acquisition of 100% of the issued capital of iSignthis through the issue of 298,333,333 post-consolidation ordinary fully paid OTE shares and 336,666,667 Performance Shares;
- The issue of 103,333,333 post-consolidation ordinary OTE shares at \$0.03 each, to raise \$3,100,000 pursuant to the Prospectus;
- Reverse acquisition accounting entries to reflect the Takeover Offer.

The Pro Forma Consolidated Financial Information has been presented in abbreviated form and does not contain all the disclosures usually provided in an Annual Report prepared in accordance with the *Corporations Act 2001*.

## Appendix A – Historical and pro forma financial information

### OTIS ENERGY LIMITED NOTES TO THE HISTORICAL AND PRO-FORMA FINANCIAL INFORMATION AS AT 30 SEPTEMBER 2014

#### Basis of Preparation

##### (a) Statement of compliance

The historical financial information has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards (AASBs), adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The significant accounting policies that have been adopted in the preparation and presentation of the Pro forma Consolidated Financial Information are:

##### (b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments classified at *fair value through profit or loss*, which are measured at fair value.

##### (c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the functional currency.

##### (d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

##### (e) Going concern

The historical and pro forma financial information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

##### (f) Reverse acquisition accounting

The proposed acquisition of iSignthis (the legal subsidiary) by OTE (the legal parent) is deemed to be a reverse acquisition, since the substance of the transaction is such that the existing shareholders of iSignthis will obtain control of OTE.

AASB 3 *Business Combinations* (AASB 3) sets out the accounting principles to be followed in a reverse acquisition transaction. However, the Directors have concluded that OTE does not meet the definition of a business as prescribed in AASB 3 and, as such, it has been deemed that the Acquisition cannot be accounted for in accordance with the guidance set out in AASB 3.

Therefore, consistent with the accepted practice for transactions similar in nature to the Acquisition, the Company has accounted for the Acquisition in the consolidated financial statements of the legal acquirer (OTE) as a continuation of the financial statements of the legal acquiree (iSignthis), together with a share based payment measured in accordance with AASB 2 *Share Based Payments* (AASB 2), which represents a deemed issue of shares by the legal acquiree (iSignthis), equivalent to the current shareholders interest in OTE post the Acquisition. The excess of the assessed value of the share based payment over the pro forma net assets of OTE as at 30 September 2014 has been expensed to the income statement as a listing fee.



## Appendix A – Historical and pro forma financial information

### OTIS ENERGY LIMITED NOTES TO THE HISTORICAL AND PRO-FORMA FINANCIAL INFORMATION AS AT 30 SEPTEMBER 2014

Further disclosure on the adopted accounting treatment for the Acquisition is set out at Note 7.

#### **(g) Principals of consolidation**

The historical and pro forma financial information incorporates the assets and liabilities of all subsidiaries of OTE ("company" or "parent entity") and iSignthis as at 30 September 2014.

##### *(i) Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

##### *(ii) Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

##### *(iii) Loss of control*

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

#### **(h) Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

##### *(i) Sale of goods*

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### *(ii) Interest income*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using

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### OTIS ENERGY LIMITED NOTES TO THE HISTORICAL AND PRO-FORMA FINANCIAL INFORMATION AS AT 30 SEPTEMBER 2014

the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset of the net carrying amount of the financial asset.

#### (iii) *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

#### (i) **Share-based payment transactions**

The Company provides benefits to employees and other parties in the form of share based payments, whereby the employees and parties provide services in exchange for shares and other securities in the Company. The cost of the equity settled share based payment transactions is determined by reference to the fair value of the equity instruments granted assessed in accordance with AASB 2 *Share Based Payments*.

The fair value of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance/ and or service conditions are fulfilled (vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) The grant date fair value;
- (ii) The extent to which the vesting period has expired; and
- (iii) The number of equity instruments that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for equity instruments that do not ultimately vest, except for equity instruments where vesting is conditional upon a market condition.

#### (j) **Income tax**

Income tax expense comprises current and deferred tax. Current and deferred tax expenses are recognised in profit or loss except to the extent that it relates to items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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### OTIS ENERGY LIMITED NOTES TO THE HISTORICAL AND PRO-FORMA FINANCIAL INFORMATION AS AT 30 SEPTEMBER 2014

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### *(i) Tax consolidation*

Current tax expense / income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'stand-alone taxpayer' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable (receivable) to / (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The head entity recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

#### **(k) Determination of fair value**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### *(i) Trade and other receivables*

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

#### *(ii) Non-derivative financial liabilities*

Fair value is measured at initial recognition and, for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

#### *(iii) Share-based payments*

The fair value of equity settled share based payment transactions is determined with reference to recent share issues for cash consideration in arm's length transactions.

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### OTIS ENERGY LIMITED NOTES TO THE HISTORICAL AND PRO-FORMA FINANCIAL INFORMATION AS AT 30 SEPTEMBER 2014

The fair value of employee share options is measured using the Black-Scholes formula. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility, expected term of the instrument (based on historic experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

#### **(I) Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

##### *(i) Patents and trademarks*

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their definite life of 10 years.

##### *(ii) Impairment of non-financial assets*

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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**2. Cash and cash equivalents**

	<b>Note</b>	<b>Reviewed 30-Sep-14 \$</b>	<b>Unaudited Pro-forma 30-Sep-14 \$</b>
Cash and cash equivalents		68,471	4,305,105
iSignthis cash and cash equivalents as at 30 September 2014			68,471
<i>Adjustments arising in the preparation of the pro forma consolidated statement of financial position are summarised as follows:</i>			
OTE cash and cash equivalents as at 30 September 2014			1,666,634
Cash costs associated with the Takeover Offer			(255,000)
Proceeds from the issue of fully paid ordinary shares in OTE pursuant to the Prospectus			3,100,000
Capital raising costs			<u>(275,000)</u>
			4,236,634
Pro-forma cash and cash equivalents			<u><u>4,305,105</u></u>

This number does not include any amounts relating to the Shortfall pursuant to the terms of the Acquisition Agreement as disclosed in section 13.1 of the Prospectus. Under the Acquisition Agreement referred to in section 13.1 of the Prospectus the parties have agreed to target \$1,700,000 as the Company's cash at Completion (excluding the proceeds from the Offer, reasonable costs related to the Acquisition and any loan amounts provided to iSignthis prior to Completion). In the event the Company's cash at bank at Completion, after the applicable exclusions and add backs, is below \$1,700,000, the Company will issue shares to the Vendor of a value equal to the Cash Shortfall. This is currently estimated by the Directors to be \$100,000, which would result in a reduction in the cash balance of \$100,000 from \$4,305,105 to \$4,205,105.

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**3. Trade and other receivables**

	<b>Reviewed 30-Sep-14 \$</b>	<b>Unaudited Pro-forma 30-Sep-14 \$</b>
Current trade and other receivables	504	16,641
iSignthis receivables as at 30 September 2014 (current)		504
OTE receivables at 30 September 2014 (current)		16,137
Pro-forma trade and other receivables (current)		<u>16,641</u>
Non-current trade and other receivables	-	-
OTE loan receivables at 30 September 2014 (non-current)		100,000
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>		
OTE loan provided to iSignthis (non-current)		200,000
Elimination on acquisition (non-current)		(300,000)
Pro-forma trade and other receivables (non-current)		<u>-</u>

**4. Intellectual property**

	<b>Reviewed 30-Sep-14 \$</b>	<b>Unaudited Pro-forma 30-Sep-14 \$</b>
Intellectual property	1,259,000	1,259,000
iSignthis intellectual property at 30 September 2014		1,259,000
Pro-forma intellectual property		<u>1,259,000</u>

iSignthis acquired the IP by way of a share based payments transaction whereby one ISX share was transferred as consideration for the IP. In accordance with AASB 2: Share based payments, the fair value of the IP assets acquired has been valued at \$1.259 million using the historic cost methodology.

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**OTIS ENERGY LIMITED  
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**5. Trade and other payables**

	<b>Reviewed 30-Sep-14 \$</b>	<b>Unaudited Pro-forma 30-Sep-14 \$</b>
Trade and other payables	27,613	127,112
iSignthis payables as at 30 September 2014		27,613
<i>Adjustments arising in the preparation of the pro forma consolidated statement of financial position are summarised as follows:</i>		
OTE payables as at 30 September 2014		99,499
Pro-forma trade and other payables		<u>127,112</u>

**6. Loans and borrowings**

	<b>Reviewed 30-Sep-14 \$</b>	<b>Unaudited Pro-forma 30-Sep-14 \$</b>
Interest bearing loans and borrowings	100,000	-
iSignthis borrowings as at 30 September 2014		100,000
<i>Subsequent events are summarised as follows:</i>		
Loan on funding agreement with OTE		<u>200,000</u>
Elimination on acquisition		(300,000)
Pro-forma interest bearing loans and borrowings		<u>-</u>

## Appendix A – Historical and pro forma financial information

### OTIS ENERGY LIMITED NOTES TO THE HISTORICAL AND PRO-FORMA FINANCIAL INFORMATION AS AT 30 SEPTEMBER 2014

#### 7. Reverse acquisition

The proposed acquisition of iSignthis (the legal subsidiary) by OTE (the legal parent) is deemed to be a reverse acquisition as the substance of the transaction is such that the existing shareholders of iSignthis will obtain control of OTE. However, OTE is not considered to meet the definition of a business under AASB 3 *Business Combinations* (AASB 3) and, as such, it has been concluded that the Takeover Offer cannot be accounted for in accordance with the guidance set out in AASB 3. Therefore, consistent with the accepted practice for transactions similar in nature to the Takeover Offer, we have accounted for the acquisition in the consolidated financial statements of the legal acquirer (OTE) as a continuation of the financial statements of the legal acquiree (iSignthis), together with a share based payment measured in accordance with AASB 2 *Share Based Payments* (AASB 2), which represents a deemed issue of shares by the legal acquiree (iSignthis), equivalent to current shareholders interest in OTE post the acquisition. The excess of the assessed value of the share based payment over the net assets of OTE has been expensed to the income statement as a listing fee.

OTE (legal parent, accounting acquiree) will issue 298,333,333 ordinary shares and 336,666,667 Performance Shares to iSignthis shareholders who, as a result, will own approximately 65.1%<sup>1</sup> of the combined entity at settlement of the Acquisition prior to the Capital Raising. The remaining 34.9% will be owned by the current shareholders of OTE.

As there is no current market for iSignthis shares, the fair value of 100% of OTE is assessed as \$4,791,194 based on 159,706,451 post-consolidation OTE shares on issue at 3 cents each immediately prior to the acquisition.

Consequently, a listing expense of \$3,073,905 has been expensed to the income statement which represents the excess of the deemed fair value of the share based payment less the pro forma net assets of OTE of \$1,717,289 as at 30 September 2014, immediately prior to settlement of the acquisition, as set out below.

	<b>Unaudited Pro-forma 30-Sep-14 \$</b>
Cash and cash equivalents	1,666,634
Trade and other receivables	116,137
Other assets	58,419
Trade and other payables	<u>(123,901)</u>
Net assets of OTE acquired on reverse acquisition	1,717,289
Assessed fair value of asset acquired:	
- Post-consolidation OTE shares on issue	159,706,451
- Post-consolidation OTE value per share under the Prospectus	<u>\$ 0.030</u>
Deemed fair value of share-based payment, assessed in accordance with AASB 2	4,791,194
Pro-forma listing expense recognised on reverse acquisition	<u><u>3,073,905</u></u>

As referred in Note 2 of this report, in the event of a Shortfall, the cash balance disclosed above would be reduced by \$100,000 resulting in a decrease in net assets of OTE acquired on reverse acquisition and an increase of \$100,000 in pro-forma listing expense recognised on reverse acquisition.

<sup>1</sup> Calculations do not reflect the impact of the 336,666,667 Performance Shares (Deferred Consideration)



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**8. Contributed equity**

<b>(a) Issued and fully paid up capital</b>	<b>Note</b>	<b>Number of shares</b>	<b>\$</b>
iSignthis issued share capital as at 30 September 2014		1	1,259,001
<i>Subsequent events are summarised as follows:</i>			
<i>Adjustments arising in the preparation of the pro forma consolidated statement of financial position are summarised as follows:</i>			
Elimination of the issued share capital of iSignthis on reverse acquisition		(1)	-
Existing post-consolidation OTE shares at Acquisition		159,706,451	-
Shares issued to iSignthis shareholders on reverse acquisition		298,333,333	4,791,194
Fully paid ordinary shares issued at \$0.03 pursuant to this Prospectus		103,333,333	3,100,000
Cash costs associated with the share issue pursuant to this Prospectus		-	(275,000)
		<u>561,373,116</u>	<u>7,616,194</u>
 Pro-forma issued share capital		<u><u>561,373,117</u></u>	<u><u>8,875,195</u></u>

This balance does not take into account the issue of Shares to the Vendor in the event of a Cash Shortfall as described in Note 2. In the event of a Cash Shortfall, the Company will issue shares to the Vendor of a value equal to the Cash Shortfall. This is estimated to be an approximate increase in contributed equity of \$100,000 and the issue of 3,333,333 shares which would result in the pro-forma issued capital increasing from 561,373,117 to 564,706,450.

**(b) Performance Shares**

In addition to the 298,333,333 ordinary shares issued to the shareholders of iSignthis at settlement of the Acquisition, the Company will also issue 336,666,667 Deferred Consideration by way of Performance Shares. The Performance Shares will convert to ordinary OTE shares upon the achievement of certain performance milestones as follows:

- iSignthis receives revenue over a 6 month reporting period equivalent, on an annualised basis, of at least \$5,000,000 (Milestone A), each Class A Performance Shares;
- iSignthis receives revenue over a 6 month reporting period equivalent, on an annualised basis, of at least \$7,500,000 (Milestone B), each Class B Performance Shares; and
- iSignthis receives revenue over a 6 month reporting period equivalent, on an annualised basis, of at least \$10,000,000 (Milestone C), each Class C Performance Shares.

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**9. Reserves**

	<b>Reviewed 30-Sep-14 \$</b>	<b>Unaudited Pro-forma 30-Sep-14 \$</b>
Share based payment and foreign currency reserve	-	-
OTE reserves as at 30 September 2014		967,636
iSignthis reserves as at 30 September 2014		-
<i>Adjustments arising in the preparation of the pro forma consolidated statement of financial position are summarised as follows:</i>		
Elimination of the reserve of OTE on reverse acquisition		(967,636)
Pro-forma share based payment and foreign currency reserve		-

**10. Accumulated losses**

	<b>Reviewed 30-Sep-14 \$</b>	<b>Unaudited Pro-forma 30-Sep-14 \$</b>
Accumulated losses	(58,639)	(3,387,544)
iSignthis accumulated losses at 30 September 2014		(58,639)
<i>Subsequent events are summarised as follows:</i>		
<i>Adjustments arising in the preparation of the pro forma consolidated statement of financial position are summarised as follows</i>		
Listing fee recognised on reverse acquisition		(3,073,905)
Cash costs associated with the Takeover Offer		(255,000)
		(3,328,905)
Pro-forma accumulated losses		(3,387,544)

## Appendix A – Historical and pro forma financial information

### OTIS ENERGY LIMITED NOTES TO THE HISTORICAL AND PRO-FORMA FINANCIAL INFORMATION AS AT 30 SEPTEMBER 2014

#### 11. Related party disclosure

The Directors of OTE as at the date of this Report are Harry Hill, Barnaby Egerton-Warburton and Winton Willesee. Harry Hill and Winton Willesee are to resign on the completion of the Acquisition and Capital Raising. The proposed Directors are Nickolas John Karantzis, Scott William Minehane, Timothy Hart and Barnaby Egerton-Warburton. Directors' holdings of shares, directors' remuneration and other directors' interests are set out in Sections 8.3 and 8.4 of the Prospectus.

#### 12. Controlled entities

<b>Consolidated Entities</b>	<b>Country of Incorporation</b>	<b>Pro-forma Interest held</b>
Otis Energy Limited	Australia	Parent
Otis Energy, Inc.	USA	100%
Sito Exploration LLC	USA	100%
Otis Energy I LLC	USA	100%
Otis Energy III LLC	USA	100%
Otis Energy (Yemen) Limited	British Virgin Islands	100%
iSignthis BV	Netherlands	100%
ISX IP iSignthis Ltd	British Virgin Islands	100%

## Financial Services Guide

RSM Bird Cameron Corporate Pty Ltd ABN 82 050 508 024 (“RSM Bird Cameron Corporate Pty Ltd” or “we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence, which authorises us to provide financial product advice in relation to:

- deposit and payment products limited to:
  - (a) basic deposit products;
  - (b) deposit products other than basic deposit products.
- interests in managed investments schemes (excluding investor directed portfolio services); and
- securities (such as shares and debentures).

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

### General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

### Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

1.1. Except for the fees referred to above, neither RSM Bird Cameron Corporate Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

#### **Remuneration or other benefits received by our employees**

All our employees receive a salary.

#### **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

#### **Associations and relationships**

RSM Bird Cameron Corporate Pty Ltd is beneficially owned by the partners of RSM Bird Cameron, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Bird Cameron Partners.

1.2. From time to time, RSM Bird Cameron Corporate Pty Ltd, RSM Bird Cameron Partners, RSM Bird Cameron and / or RSM Bird Cameron related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

#### **Complaints Resolution**

##### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, RSM Bird Cameron Corporate Pty Ltd, P O Box R1253, Perth, WA, 6844.

1.3. When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

##### *Referral to External Dispute Resolution Scheme*

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

1.4. Further details about FOS are available at the FOS website or by contacting them directly via the details set out below.

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Toll Free: 1300 78 08 08  
Facsimile: (03) 9613 6399  
Email: info@fos.org.au

#### **Contact Details**

You may contact us using the details set out at the top of our letterhead on page 1 of this report.