

iSignthis Ltd

(Formerly known as Otis Energy Limited)

ABN 93 075 419 715

Half-year Financial Report - 31 December 2014
(reporting on Otis Energy operations)



iSignthis Ltd
(Formerly known as Otis Energy Limited)
Contents
31 December 2014

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iSignthis Ltd
(Formerly known as Otis Energy Limited)
Corporate directory
31 December 2014

Directors	Timothy Hart (Non-Executive Chairman) Nickolas John Karantzis (Managing Director) Barnaby Egerton-Warburton (Non-Executive Director) Scott Minehane (Non-Executive Director)
Company secretary	Todd Richards
Registered office	50 Ord St West Perth, WA, 6005
Share register	Link Market Services Level 12 680 George Street Sydney NSW 2000
Auditor	Hayes Knight Audit Pty Ltd Level 12 31 Queen Street Melbourne VIC 3000
Bankers	National Australia Bank 1232 Hay Street West Perth WA 6005
Stock exchange listing	iSignthis Ltd shares are listed on the Australian Securities Exchange (ASX code: OTE) (ASX code options: OTEO)
Website	www.otisenergy.com www.isignthis.com

**iSignthis Ltd
(Formerly known as Otis Energy Limited)
Review of operations
31 December 2014**

Review of operations

On the 4th September 2014 the Company announced that it had entered into a binding agreement to acquire 100% of online identity and authentication service provider iSignthis B.V. and ISX IP Ltd (together known as 'iSignthis').

The Company has since completed a Share Sale Agreement, put forward various resolutions to shareholders regarding the change of name, appointment of new Directors and issue of new securities as part of a capital raising via Prospectus. These resolutions were passed by shareholders on 22 December 2014 and the Company is now moving towards satisfying the ASX requirements to re-list as iSignthis Ltd.

Otis Energy Limited undertook a range of activities in the period ending 31 December 2014 and this report reflects the revenue and operating costs associated with those legacy activities.

Following the decision to acquire iSignthis the Company entered into agreements to sell off its interests in its subsidiaries incorporated in the United States of America which held all the interests in the previously disclosed Oil and Gas projects. The sale of the Oil and Gas assets and the U.S. subsidiaries were completed prior to 31 December 2014 and as a result the Oil and Gas operating results in the following report have been disclosed as discontinued operations in the statement of profit and loss and comprehensive income.

Prior to the divestment the oil and gas operations continued without any material developments.

iSignthis Ltd
(Formerly known as Otis Energy Limited)
Directors' report
31 December 2014

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of iSignthis Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2014.

Directors

The following persons were directors of iSignthis Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Timothy Hart (Non-Executive Chairman) (Appointed 22 December 2014)
Mr Nickolas John Karantzis (Managing Director) (Appointed 22 December 2014)
Mr Scott Minehane (Non-Executive Director) (Appointed 22 December 2014)
Mr Barnaby Egerton-Warburton (Non-Executive Director)
Mr Winton Willesee (Non-Executive Director and Company Secretary) (Resigned 22 December 2014)
Mr Harry Hill (Non-Executive Chairman) (Resigned 22 December 2014)

Principal activities

The principal activities of the consolidated entity during the half year was to complete the acquisition of iSignthis. During the period the consolidated entity announced that it had executed a binding term sheet to acquire 100% of online identification and payment authentication provider, iSignthis BV and ISX IP Ltd BVI ("together known as iSignthis").

To undertake this transaction, the vendors entered into a binding term sheet to acquire 100% of the issued capital of iSignthis, and all associated intellectual property, software, patents and trademarks.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$552,790 (31 December 2013: \$2,116,654).

Refer to the detailed review of operations directly preceding this report.

Financial Position

The net assets of the consolidated entity decreased by \$584,356 to \$1,337,652 as at 31 December 2014 (30 June 2014 : \$1,922,008).

The consolidated entity's working capital, being current assets less current liabilities was \$1,037,652 at 31 December 2014 (30 June 2014: \$1,924,103). During the period the consolidated entity had a positive net cash flow of \$1,154,021 compared to 2013 which had a negative cash flow of \$274,557.

Significant changes in the state of affairs

During the half year the consolidated entity entered into an agreement to sell off its interest in its subsidiaries incorporated in the United States of America which held the interests in all Oil and Gas projects previously.

Oil and Gas operating results have been disclosed as discontinued operations in the statement of profit and loss and comprehensive income.

On the 22 December the shareholders approved the acquisition of 100% of issued capital of iSignthis BV -(iSignthis) and ISX IP Ltd (ISX). iSignthis is an Australian based business which has been granted USA, European, South African and Australian patents that significantly enhance online payment security, internet identity, e-mandates and e-contract validation services, to safeguard eCommerce operators, and assist Anti Money Laundering ("AML") and Counter Terrorism Funding ("CTF") obligated entities meet their compliance requirements. The amalgamated entity has patents pending in several other key jurisdictions, including China, Hong Kong, South Korea, Canada, Brazil and India.

The consolidated entity changed its name to iSignthis Ltd following shareholder approval at the general meeting held on 22 December 2014.

iSignthis Ltd
(Formerly known as Otis Energy Limited)
Directors' report
31 December 2014

On the 22 December 2014 the consolidated entity lodged a prospectus for the offer of 103,333,333 shares at an issue price of (3 cents) each, to raise approximately \$3,100,000 (before costs).

As consideration for the acquisition of 100% of the issued capital in iSignthis, the vendor will issue 298,333,333 vendor shares (on a post consolidation basis) to the shareholders of iSignthis.

In addition, the vendor will also issue up to 336,666,667 performance shares (on a post consolidation basis) based on achievement of the following milestones within three (3) of completing the transaction:

(i) 112,222,222 Class A Performance Shares – on achievement of annual revenue of at least \$5,000,000. Annual revenue will be calculated on annualised basis over a 6 month reporting period. Class A Performance Shares will expire if unconverted within three (3) years of completing the transaction;

(ii) 112,222,222 Class B Performance Shares – on achievement of annual revenue of at least \$7,500,000. Annual revenue will be calculated on annualised basis over a 6 month reporting period. Class B Performance Shares will expire if unconverted within three (3) years of completing the transaction; and

(iii) 112,222,223 Class C Performance Shares – on achievement of annual revenue of at least \$10,000,000. Annual revenue will be calculated on annualised basis over a 6 month reporting period. Class C Performance Shares will expire if unconverted within three (3) years of completing the transaction.

Other key terms of the transaction included the payment by the vendor to iSignthis, of a non-refundable Inducement Fee of \$50,000, provision, by the vendor to iSignthis, of a drawdown facility of up to \$300,000 to be immediately available upon execution of a binding term sheet. Execution of a binding share sale, intellectual property assignment and licence agreements between the vendor and the shareholders of iSignthis and the sale of the remaining oil and gas assets of the vendor.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On the 15 January 2015 the consolidated entity completed a share consolidation as approved at the general meeting held on the 22 December 2014 to consolidate the issued capital on the basis of the one share for every ten shares held.

The consolidated entity lodged a Supplementary Prospectus to provide additional information to investors on the 29 January 2015. 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 (should they wish to withdraw their application).

It is currently proposed that the completion of the acquisition will complete on or about the 3 March 2015.

No other matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

iSignthis Ltd
(Formerly known as Otis Energy Limited)
Directors' report
31 December 2014

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

On behalf of the directors



Mr Barnaby Egerton-Warburton
Non-Executive Director

3 March 2015

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Registered Audit Company 291969

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ISIGNTHIS LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2014 there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

Hayes Knight Audit

Hayes Knight Audit Pty Ltd
Melbourne

Richard Cen
Director

Dated this 3 day of March 2015

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iSignthis Ltd
(Formerly known as Otis Energy Limited)
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2014

	Note	Consolidated 31 December 2014 \$	31 December 2013 \$
Revenue from continuing operations	4	65,622	1,341
Other income	5	75,281	-
Expenses			
Corporate expenses	6	(247,074)	-
Consultancy and management expenses		(142,448)	(239,639)
Depreciation and amortisation expense		(1,326)	(1,073)
Other expenses		(171,775)	(138,930)
Loss before income tax expense from continuing operations		(421,720)	(378,301)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(421,720)	(378,301)
Loss after income tax expense from discontinued operations	7	(131,070)	(1,738,353)
Loss after income tax expense for the half-year attributable to the owners of iSignthis Ltd		(552,790)	(2,116,654)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		-	42,395
Other comprehensive income for the half-year, net of tax		-	42,395
Total comprehensive income for the half-year attributable to the owners of iSignthis Ltd		<u>(552,790)</u>	<u>(2,074,259)</u>
Total comprehensive income for the half-year is attributable to:			
Continuing operations		(552,790)	(2,074,259)
Discontinuing operations		-	-
		<u>(552,790)</u>	<u>(2,074,259)</u>
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of iSignthis Ltd			
Basic earnings per share	17	(0.03)	(0.03)
Diluted earnings per share	17	(0.03)	(0.03)
Earnings per share for loss from discontinued operations attributable to the owners of iSignthis Ltd			
Basic earnings per share	17	(0.01)	(0.14)
Diluted earnings per share	17	(0.01)	(0.14)
Earnings per share for loss attributable to the owners of iSignthis Ltd			
Basic earnings per share	17	(0.03)	(0.17)
Diluted earnings per share	17	(0.03)	(0.17)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

iSignthis Ltd
(Formerly known as Otis Energy Limited)
Statement of financial position
As at 31 December 2014

	Consolidated	
	31 December	
Note	2014	30 June 2014
	\$	\$
Assets		
Current assets		
	3,213,242	1,984,796
	35,197	22,796
	254,568	15,163
8	-	75,000
	<u>3,503,007</u>	<u>2,097,755</u>
Non-current assets		
	300,000	-
9	-	1,326
	<u>300,000</u>	<u>1,326</u>
	<u>3,803,007</u>	<u>2,099,081</u>
Liabilities		
Current liabilities		
	26,301	157,498
	20,554	16,154
10	2,418,500	-
	<u>2,465,355</u>	<u>173,652</u>
Non-current liabilities		
	-	3,421
	-	3,421
	<u>2,465,355</u>	<u>177,073</u>
	<u>1,337,652</u>	<u>1,922,008</u>
Equity		
	81,227,362	81,227,362
11	912,800	944,366
	(80,802,510)	(80,249,720)
	<u>1,337,652</u>	<u>1,922,008</u>

The above statement of financial position should be read in conjunction with the accompanying notes

iSignthis Ltd
(Formerly known as Otis Energy Limited)
Statement of changes in equity
For the half-year ended 31 December 2014

Consolidated	Contributed equity \$	Options Reserves \$	Accumulated losses \$	Foreign Currency Reserve \$	Total equity \$
Balance at 1 July 2013	80,913,940	1,191,600	(77,966,117)	96,874	4,236,297
Loss after income tax expense for the half-year	-	-	(2,116,654)	-	(2,116,654)
Other comprehensive income for the half-year, net of tax	-	-	-	42,395	42,395
Total comprehensive income for the half-year	-	-	(2,116,654)	42,395	(2,074,259)
<i>Transactions with owners in their capacity as owners:</i>					
Lapse of options	-	(278,800)	278,800	-	-
Balance at 31 December 2013	<u>80,913,940</u>	<u>912,800</u>	<u>(79,803,971)</u>	<u>139,269</u>	<u>2,162,038</u>
Consolidated	Contributed equity \$	Options Reserve \$	Accumulated losses \$	Foreign Currency Reserves \$	Total equity \$
Balance at 1 July 2014	81,227,362	912,800	(80,249,720)	31,566	1,922,008
Loss after income tax expense for the half-year	-	-	(552,790)	-	(552,790)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(552,790)	-	(552,790)
<i>Transactions with owners in their capacity as owners:</i>					
Derecognition of foreign currency reserve upon disposal of foreign subsidiaries	-	-	-	(31,566)	(31,566)
Balance at 31 December 2014	<u>81,227,362</u>	<u>912,800</u>	<u>(80,802,510)</u>	<u>-</u>	<u>1,337,652</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

iSignthis Ltd
(Formerly known as Otis Energy Limited)
Statement of cash flows
For the half-year ended 31 December 2014

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(944,488)	(252,593)
Interest received	21,358	4,180
Receipts from sale of subsidiaries	41,400	-
Net cash flows from discontinued operations	<u>(82,749)</u>	<u>(26,144)</u>
Net cash used in operating activities	<u>(964,479)</u>	<u>(274,557)</u>
Cash flows from investing activities		
Net cash from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Tranche payment to iSignthis (as part of loan agreement)	(300,000)	-
Proceeds from prospectus applications (shares yet to be issued)	<u>2,418,500</u>	<u>-</u>
Net cash from financing activities	<u>2,118,500</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	1,154,021	(274,557)
Cash and cash equivalents at the beginning of the financial half-year	1,984,796	433,689
Effects of exchange rate changes on cash and cash equivalents	<u>74,425</u>	<u>2,058</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>3,213,242</u></u>	<u><u>161,190</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

iSignthis Ltd
(Formerly known as Otis Energy Limited)
Notes to the financial statements
31 December 2014

Note 1. General information

The financial statements cover iSignthis Ltd as a consolidated entity consisting of iSignthis Ltd and its subsidiaries. The financial statements are presented in Australian dollars, which is iSignthis Ltd's functional and presentation currency.

iSignthis Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

50 Ord St
West Perth
WA 6005

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 3 March 2015. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements

The consolidated entity has applied AASB 10 from 1 July 2013. AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

iSignthis Ltd
(Formerly known as Otis Energy Limited)
Notes to the financial statements
31 December 2014

Note 2. Significant accounting policies (continued)

AASB 11 Joint Arrangements

The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities, will account for its share of the assets, liabilities, revenues and expenses separately under the appropriate classifications.

Management has reviewed its joint arrangements in accordance with AASB 11 and has concluded that there is no effect on the classification or accounting treatment of any of the consolidated entity's joint arrangements in the current or comparative periods covered by these financial statements.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment which consists of exploration for oil and gas overseas until such time as the acquisition of iSignthis Ltd. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources.

Note 4. Revenue

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
From continuing operations		
Sale of held for sale asset	41,400	-
Interest	24,222	1,341
Revenue from continuing operations	<u>65,622</u>	<u>1,341</u>

During the period the consolidated entity sold its interest in US subsidiaries which was revalued during the period to \$41,400 from \$75,000 at 30 June 2014.

Note 5. Other income

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
Net foreign exchange gain	<u>75,281</u>	<u>-</u>

As part of the sale of the US subsidiaries the consolidated entity realised a foreign exchange gain between the entities inter-company loan accounts, which had been previously been recorded in the equity section of the balance sheet as foreign exchange reserves.

iSignthis Ltd
(Formerly known as Otis Energy Limited)
Notes to the financial statements
31 December 2014

Note 6. Expenses

Consolidated	
31 December	31 December
2014	2013
\$	\$

Loss before income tax from continuing operations includes the following specific expenses:

<i>iSignthis prospectus transaction expenses</i>		
iSignthis prospectus costs	(247,074)	-

Note 7. Discontinued operations

Description

The note below refers to the discontinued operations following the sale of the companies US subsidiaries and all operating items for both the current period and the prior period.

Financial performance information

Consolidated	
31 December	31 December
2014	2013
\$	\$

Oil & Gas Revenue	56,447	230,813
Total revenue	<u>56,447</u>	<u>230,813</u>
Other expenses	(38,410)	(31,429)
Production Costs	(76,439)	(361,514)
Impairments	(72,668)	(1,576,223)
Total expenses	<u>(187,517)</u>	<u>(1,969,166)</u>
Loss before income tax expense	(131,070)	(1,738,353)
Income tax expense	-	-
Loss after income tax expense from discontinued operations	<u>(131,070)</u>	<u>(1,738,353)</u>

Cash flow information

Consolidated	
31 December	31 December
2014	2013
\$	\$

Net cash used in operating activities	<u>(82,749)</u>	<u>(26,144)</u>
---------------------------------------	-----------------	-----------------

iSignthis Ltd
(Formerly known as Otis Energy Limited)
Notes to the financial statements
31 December 2014

Note 8. Current assets - Current assets classified as held for sale

	Consolidated	
	31 December	
	2014	30 June 2014
	\$	\$
Held for sale asset	-	75,000
	<u>-</u>	<u>75,000</u>

At the 30 June 2014 the consolidated entity revalued its held for held for sale assets to be \$75,000. During the period the consolidated entity revalued its held for sale asset and wrote it down to \$41,400. The asset was subsequently sold for the \$41,400.

Note 9. Non-current assets - property, plant and equipment

	Consolidated	
	31 December	
	2014	30 June 2014
	\$	\$
Plant and equipment - at cost	7,850	7,850
Less: Accumulated depreciation	(7,850)	(6,524)
	<u>-</u>	<u>1,326</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Plant and equipment \$	Total \$
Balance at 1 July 2014	1,326	1,326
Write off of assets	(1,326)	(1,326)
Balance at 31 December 2014	<u>-</u>	<u>-</u>

Note 10. Current liabilities - other

	Consolidated	
	31 December	
	2014	30 June 2014
	\$	\$
Proceeds from prospectus applications (shares yet to be issued)	2,418,500	-
	<u>2,418,500</u>	<u>-</u>

Note 11. Equity - reserves

	Consolidated	
	31 December	
	2014	30 June 2014
	\$	\$
Foreign currency reserve	-	31,566
Options reserve	912,800	912,800
	<u>912,800</u>	<u>944,366</u>

iSignthis Ltd
(Formerly known as Otis Energy Limited)
Notes to the financial statements
31 December 2014

Note 11. Equity - reserves (continued)

Foreign currency reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Options reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency \$	Options \$	Total \$
Balance at 1 July 2014	31,566	912,800	944,366
Derecognition of foreign currency reserve upon disposal of foreign subsidiaries	(31,566)	-	(31,566)
Balance at 31 December 2014	<u>-</u>	<u>912,800</u>	<u>912,800</u>

Note 12. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 13. Contingent liabilities

The consolidated entity had no contingent liabilities at 31 December 2014 and 30 June 2014.

Note 14. Commitments

At 31 December 2014 the consolidated entity had no material commitments.

Note 15. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2014 %	30 June 2014 %
Otis Energy Inc	USA	-%	100.00%
Sito Exploration Exploration LLC	USA	-%	100.00%
Otis Energy I LLC	USA	-%	100.00%
Otis Energy II LLC	USA	-%	100.00%
Otis Energy (Yemen) Limited	British Virgin Islands	100.00%	100.00%

During the period the consolidated entered into an agreement to sell its interests in its US subsidiaries. The sale was completed during the period and therefore at reporting date the company had no ownership interest in the above companies, with the exception of Otis Energy (Yemen) Limited. .

iSignthis Ltd
(Formerly known as Otis Energy Limited)
Notes to the financial statements
31 December 2014

Note 16. Events after the reporting period

On the 15 January 2015 the consolidated entity completed a share consolidation as approved at the general meeting held on the 22 December 2014 to consolidate the issued capital on the basis of the one share for every ten shares held.

The consolidated entity lodged a Supplementary Prospectus to provide additional information to investors on the 29 January 2015. 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 (should they wish to withdraw their application).

It is currently proposed that the completion of the acquisition will complete on or about the 3 March 2015.

No other matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 17. Earnings per share

	Consolidated	Consolidated
	31 December	31 December
	2014	2013
	\$	\$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of iSignthis Ltd	<u>(421,720)</u>	<u>(378,301)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,597,064,508</u>	<u>1,279,564,508</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,597,064,508</u>	<u>1,279,564,508</u>
	Cents	Cents
Basic earnings per share	(0.03)	(0.03)
Diluted earnings per share	(0.03)	(0.03)
	Consolidated	Consolidated
	31 December	31 December
	2014	2013
	\$	\$
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax attributable to the owners of iSignthis Ltd	<u>(131,070)</u>	<u>(1,738,353)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,597,064,508</u>	<u>1,279,564,508</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,597,064,508</u>	<u>1,279,564,508</u>
	Cents	Cents
Basic earnings per share	(0.01)	(0.14)
Diluted earnings per share	(0.01)	(0.14)

iSignthis Ltd
(Formerly known as Otis Energy Limited)
Notes to the financial statements
31 December 2014

Note 17. Earnings per share (continued)

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
<i>Earnings per share for loss</i>		
Loss after income tax attributable to the owners of iSignthis Ltd	<u>(552,790)</u>	<u>(2,116,654)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,597,064,508</u>	<u>1,279,564,508</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,597,064,508</u>	<u>1,279,564,508</u>
	Cents	Cents
Basic earnings per share	(0.03)	(0.17)
Diluted earnings per share	(0.03)	(0.17)

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iSignthis Ltd
(Formerly known as Otis Energy Limited)
Directors' declaration
31 December 2014

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Barnaby Egerton-Warburton
Non-Executive Director

3 March 2015



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ISIGNTHIS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of iSignthis Limited and its Controlled Entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Otis Energy Limited and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* has been provided to the directors of iSignthis Limited.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of iSignthis Limited and its Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- A. giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- B. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Hayes Knight Audit

Hayes Knight Audit Pty Ltd
Melbourne

Richard Cen
Director

Dated this 3 day of March 2015

