Odyssey Technologies Limited

CIN: L51909TN1990PLC019007

ADDENDUM TO INVESTOR FAQs

September 2015

PREAMBLE

Some of the investors have raised queries seeking clarification on the FAQs and this addendum is published in response to their questions and in continuation of the FAQs.

DISCLAIMER

Certain statements made in this addendum to FAQ concerning our future growth prospects and/or any forward looking statements contained herein are based on assumptions and expectations that we believe are reasonable as of this date. Forward looking statements/ assumptions regarding growth prospects by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. This addendum to FAQ represents only the Company's current intentions, beliefs or expectations and the company assumes no obligation to revise or update any forward looking statements as such.

Odyssey Technologies Limited

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1. Why have you scaled down your efforts on cloud segment while everybody is quite bullish on cloud computing ?

   Our interest in clouds has been only in building products that improve the security aspects of the cloud. We have concluded that the present state of evolution of clouds does not present a clear opportunity for products that fall within our security expertise. Therefore it is not prudent to go on investing resources into an opportunity that is yet to crystallize. If in future we identify opportunities for specific product offerings, we will certainly take it up.

   Using clouds for product deployments is another matter altogether. We do believe that clouds can be used for a wider reach for our existing product families as required. We are not abandoning that line of pursuit.

2. As per your FAQs, the overall size of PKI authentication market is in the range of USD 40 - 50 million and in that we have a market share of 25-30%. Is that not quite a small market ?

   The numbers we have quoted reflect the present state of PKI industry as we see it. This is in a continuous flux and we do believe this segment will continue to expand though it is difficult to judge the rate of such expansion.

3. Do we have any product for Payment banking and App based banking, as once launched, this segment has the potential to take away a huge market share ?

   As we had mentioned elsewhere, our products are industry agnostic for wired internet services. We are in the process of extending the same services into the wireless space and will release product extensions for app based transactions when they are ready.

4. Do we have any product for IOT (Internet Of Things)/ smart watches/ other wireless gadgets?

As stated elsewhere, many of our software are domain-neutral and when the information flow from IOT devices and their centralized storage and use becomes more defined, we will certainly address that market with appropriate software extensions.

5. A major mystery is the valuation of the product portfolio, as in the balance sheet the amount mentioned towards intangible assets is negligible.

There is no mystery here. We are in the software product building business and unlike other industries, this does not involve carrying any physical inventory that can be valued realistically. As for the software, we have already mentioned that we are constantly reworking/upgrading the products to keep up with regulatory, technological and standards trends. More than half of what we spend annually goes into such keeping up. With all that, the success of a product or one of its features is governed by a large number of factors. In case a product fails, it does not leave any salvage value. Under the circumstances, it is not prudent or correct to capitalize any cost that has already been incurred.

6. Can you provide 6-monthly & current year growth estimates ?

We disclose quarterly numbers as required. As a matter of current policy and practice, we do not provide any estimates or projections.

7. As till now all accruals are going towards bank FDs, as a policy, what amount of cash is planned to be retained with the company ?

We are in the process of expanding/ consolidating our products as well as their reach. As such, we need to have the financial strength to carry out those expansions whenever the need arises. Until such time we prefer to keep it in as liquid and safe a form as deposits.

The amount of cash that will be required for such expansions would vary and we consider the financial resources we have now are quite humble.

8. PAYG model is more predictable due to some kind of annuity in nature, as around 45-50% of revenues come from PAYG, hence predictability & forecasting is easier, so any guidance for the coming couple of years

   PAYG model does not automatically mean annuity nor is it predictable. It is just that the customer pays for the usage rather than ownership of license and in our experience we see the usage as a variable. It is only the AMC payments that are in the nature of an annuity and predictable. Such payments constitute a small part of our revenue and are of not much use in providing guidance.

9. Is Aadhar based security a major threat to PKI based security system?

   Every new security model that is prescribed by the regulators or that catches the customer's fancy IS a threat to PKI based security systems – in the short run. As stated earlier, PKI is here for the longer haul and we feel Aadhar based security will end up helping the PKI market also to expand eventually.

10. Mobile product EPIC's revenue is presently very negligible, is there any scope for scaling up ?

    Yes. As mentioned earlier, it is very difficult to predict the revenue from a specific product and we now feel that EPIC's features were frozen a little ahead of time. The product, however shall form the technological nucleus for our mobile based authentication and other plans. We believe that this time around our mobile offering should have a better run.

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