

MARCH 2017 QUARTERLY CASH FLOW REPORT

Panorama Synergy Limited (ASX: **PSY**) (**Panorama** or the **Company**) attaches its quarterly cash flow report for the period ended 31 March 2017 (the **Quarter**).

Commentary on Quarter and Outlook

The Company confirms that as at 31 March 2017 it held a cash balance of A\$1.594 million.

The Company's cash flow report for the Quarter reflects its continuing significant investment in ongoing research and development initiatives in respect of its second prototype micro-spectrometer. These research and development activities continue to progress in line with expectations, and the Board is pleased to provide the following updates:

- **Micro-spectrometer:** The Company is working towards the objective of advancing from the near completed prototype version two of its micro-spectrometer during the June quarter to the third prototype version for field testing in September quarter. The Board expects the field-testing will facilitate the Company finalising key design and performance elements of the micro-spectrometer, and advancing commercialisation discussions in the December quarter.
- **LumiMEMS:** The Company has also continued its development of the LumiMEMS technology with a focus towards a high sensitivity, low noise, uncooled thermal detector useful for chemical sensing and imaging applications.
- **MEMS feasibility study for detection of insecticide levels in aircraft:** Investigations conducted to date for the Commonwealth Government funded study have indicated it is possible to detect trace amounts of insecticides on some aircraft surfaces using spectroscopy. Work is ongoing to evaluate the possibility of quantifying the insecticide level, as well as to identify insecticide levels on different types of surfaces. Further details are expected to be available as the experimental data is fully analysed.

The Company's cash flow report for the Quarter also reflects a decrease in expenditure associated with staff, administration and corporate overheads, as a result of cost reduction measures recently implemented by the Company. The Company, with the assistance of its newly appointed General Manager (Commercial), Mr Peter Russell, continues to review and rationalise direct and operational expenses with the objective of recalibrating cash outflows from administrative costs to technology development. The Board is confident that these optimisation initiatives will support the Company in accelerating commercialisation of its intellectual property portfolio, whilst achieving cost savings in the near term.

Funding

The Board is pleased to advise it has successfully secured a \$1.5 million loan facility, which will facilitate Panorama's near term working capital and cash flow requirements. The facility funding has been provided by a major shareholder on terms that are favourable to the Company, in reflection of the shareholder's ongoing support of and confidence in the Company's business strategy. The unsecured loan facility will support the Company's ongoing technology development activities, and provide the Board with flexibility to identify and pursue opportunities for acquisitive growth and revenue generation for the benefit of all shareholders.



ASX Announcement

28 April 2017

Leadership transition

The Board is pleased to advise that subsequent to the recently announced management changes, a leadership transition process has been smoothly implemented with minimal disruption to business continuity. The Board looks forward to the commencement of Mr Peter Lewis in his role as CEO in mid-May 2017. Mr Lewis has a proven track record in leading technology based companies through their research, development, commercialisation and revenue generation phases, and the Board anticipates that he will be an invaluable asset to Panorama whilst it seeks to transition from a phase of early technology development to product commercialisation.

– ENDS

Contact Information

Panorama Synergy Limited

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

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

Name of entity

Panorama Synergy Limited

ABN

84 060 369 048

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers	-	-	-
1.2 Payments for			
(a) research and development	(347)	(1,203)	
(b) product manufacturing and operating costs	-	-	
(c) advertising and marketing	-	(41)	
(d) leased assets	-	-	
(e) staff costs	(215)	(688)	
(f) administration and corporate costs	(161)	(947)	
1.3 Dividends received (see note 3)	-	-	
1.4 Interest received	3	13	
1.5 Interest and other costs of finance paid	-	-	
1.6 Income taxes paid	-	-	
1.7 Government grants and tax incentives	74	771	
1.8 Other (provide details if material)	-	-	
- Prepaid deposits refunded	2	8	
1.9 Net cash from / (used in) operating activities	(644)	(2,087)	
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment	-	(8)	
(b) businesses (see item 10)	-	-	
(c) investments	-	-	

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – deposits paid	-	-
2.6	Net cash from / (used in) investing activities	-	(8)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,238	3,689
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(644)	(2,087)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(8)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,594	1,594

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,594	2,238
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,594	2,238

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

72

-

Includes payment of accrued fees, superannuation payments and expense reimbursements for all executive and non-executive directors.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

N/a

8. Financing facilities available

Add notes as necessary for an understanding of the position

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter

\$A'000

9.1 Research and development	485
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	215
9.6 Administration and corporate costs	185
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	885

**10. Acquisitions and disposals of
business entities
(items 2.1(b) and 2.2(b) above)**

Acquisitions

Disposals

10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


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Company secretary

Date: 28 April 2017

Print name: Alyn Tai

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.