Panorama Synergy Limited
ABN: 84 060 369 048

Annual Report
for the year ended 30 June 2017

PANORAMA SYNERGY LIMITED

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Annual Report for the year ended 30 June 2017

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CORPORATE INFORMATION

DIRECTORS

Mr Gavin Coote (Non-Executive Chairman)
Ms Joanne Bryant (Non-Executive Director)
Ms Julie King (Non-Executive Director)

COMPANY SECRETARY

Ms Alyn Tai

REGISTERED OFFICE

Level 1, 61 Spring Street
Melbourne VIC 3000

PRINCIPAL PLACE OF BUSINESS

Level 1, 61 Spring Street
Melbourne VIC 3000

POSTAL ADDRESS

Level 1, 61 Spring Street
Melbourne VIC 3000

AUDITORS

RSM Australia Partners
Level 21, 55 Collins Street
Melbourne VIC 3000

SHARE REGISTRY

Link Market Services
Tower 4, Collins Square
727 Collins Street
Melbourne VIC 3008

COMPANY WEBSITE

www.panoramasynergy.com

ASX CODE

Shares: PSY

COUNTRY OF INCORPORATION AND DOMICILE

Australia

CHAIRMAN'S LETTER

Dear Shareholders

On behalf of the Board of Directors of Panorama Synergy Limited (the "Company") I am pleased to present to you our 2017 Annual Report.

During the past year, the Company underwent numerous changes at the Board and senior executive level. Critically, the new Board and senior executive team moved swiftly to make changes to accelerate the path towards commercialising technologies and as a result, 2018 promises to be a break out year for the Company.

Over the past year, the Company's MEMS microspectrometry chip related research and prototyping activities included the successful fabrication of a number of different filter chips primarily designed to suit the needs of the agriculture industry. The Company developed and demonstrated a second prototype spectrometer platform in the laboratory and validated its performance with a commercially available equivalent. Both of these achievements were significant milestones for the Company as it continues its transition from a research proof-of-concept phase, to development and commercialisation of sensors for detection, measurement and monitoring applications.

In line with the Company's 'Sensor Economy' product strategy, the MEMS spectrometry technology has clear application across a number of industries including Medical Technology, Defence and Industrial Process. Providing solutions for the Agriculture Industry is the priority focus in the short term based on market interest in the Company's technologies and the emerging catalysts driving technology adoption to improve farming efficiencies and harvest yields.

Proof of concept LumiMEMS™ chips have been shown to work in the controlled laboratory environment at the University of Western Australia however there continues to be enduring research and other challenges in effectively translating the technology to a real-world "in field" application. The Company is exploring partnerships with potential end-users to share ongoing research and development and the risks and rewards of pursuing ground-breaking technology applications which management believes will bring the Company closer to commercialisation outcomes.

Given the broad end-user applications of our core MEMS technologies, the Company is collaborating with blue-chip R&D and market commercialisation partners. These collaborations variously provide the Company with additional chip fabrication know-how in Australia and the USA, sector-specific end-user application knowledge and customer requirement insights, as well as access to potential industry and government grant funding sources.

The Company reviewed its operational capabilities and expenditure and made appropriate adjustments to ensure flexibility in resource allocations to take advantage of emerging market prospects and commercial opportunities. The Company reduced its administrative cost base including closing its Perth offices to centralise its operations in Melbourne. The Company deferred its decision to establish a USA subsidiary instead, in the interim, embarking on a strategic collaboration with a complementary USA based company that will enable Panorama to access USA government technology development grants in our core target sectors.

Over the year, the Company also secured a federal government Business Research and Innovation Initiative (BRII) grant to undertake a feasibility study to determine the suitability of its spectrometry technology in detecting pesticide residues in airplanes. With a successful feasibility study now complete, the Company awaits advice on the status of its second stage grant application which would underwrite the development of an integrated prototype device.

The coming months will see the Company release its first commercial prototype micro-spectrometer using the Company's proprietary MEMS chips. This robust field-ready prototype device is being designed for demonstration to prospective Agricultural customers. Successful trials of the device should provide strong impetus in securing product development orders. The prototype micro-spectrometer is being designed to be a standard platform to allow the ready demonstration of other MEMS chips the Company fabricates for different customers in the future.

In line with the Company's strategy to deliver returns to shareholders, the Board intends, where appropriate, to pursue opportunities for accelerating growth by way of acquisitions and strategic partnerships that expand the Company's capabilities and complement the Company's intended commercialisation pathways.

The 2018 financial year will be an exciting one for the Company with new chips and new products planned, new customers and partnerships secured, and new strategic initiatives.

I take this opportunity to thank all shareholders, our employees, my fellow Directors Joanne Bryant and Julie King, and all our stakeholders for their continued support of Panorama as we seek to build a truly great Australian technology company success story.

Mr Gavin Coote
Chairman

DIRECTORS' REPORT

Your directors submit the Annual Financial Report together with the Financial Statements of Panorama Synergy Limited (the **Company**) for the year ended 30 June 2017. In order to comply with the provisions of the *Corporations Act 2001* (Cth) (**Corporations Act**), the directors report as follows:

INFORMATION ON DIRECTORS

The names of Directors who held office during or since the end of the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

NAMES, QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

CURRENT DIRECTORS

Mr Gavin Coote
B Com MBA
Non-Executive Chairman
Appointed as Non-Executive Director on 12 January 2017; appointed as Chairman on 28 March 2017

Mr Coote brings 25 years' business building and corporate development experience to the role, having worked in several executive strategy and finance leadership roles for start-up to billion-dollar revenue companies in Australia and the United States.

He is currently an Executive Director for private investment firm, Imperium Capital Group, a leadership position he has held for 12 years. In this role, he has acquired and supported growth strategies of several small-to-medium size businesses operating in various industries and has overseen their financial management.

He previously worked for a decade in M&A/corporate strategy, venture investing and commercial finance roles for enterprise technology companies in the US. This included NASDAQ-listed software company, Platinum Technology Inc, where revenues grew from $US100 million to $US1 billion during Mr Coote's tenure. Platinum was subsequently acquired by Computer Associates (now CA Technologies) for $US3.5 billion in 1999 - at the time, one of the largest transactions in the history of the software industry.

Mr Coote also spent two years in investment management for a US-based publicly listed technology incubation firm and worked in the audit division of professional services firm, PwC, for several years.

Ms Julie King
Non-Executive Director
Appointed 28 March 2017

Ms King holds a Bachelor of Commerce degree from the University of Melbourne. With 40 years' experience in various industries including utilities, maritime, airline, banking and FMCG, she is a specialist in commercial negotiations. Ms King currently operates a successful storage business.

Ms Joanne Bryant
Non-Executive Director
Appointed 29 November 2016

Ms Bryant brings more than 40 years' of experience in the health sciences as an occupational therapist, trainer and vocational specialist. Currently, she is using this expertise to provide forensic opinion as a vocational specialist to the Victorian court system in addition to running a small clinical practice. She has worked for many years as an approved Rehabilitation Provider, providing injury management services to both Commonwealth and State organisations. Ms Bryant is a Member of the Australian Association of Occupational Therapists and a member of the GriefLine Board. She also manages a small privately-owned investment company.

DIRECTORS' REPORT (CONTINUED)

FORMER DIRECTORS

Mr Terrence Walsh
B.Bus
Managing Director, Chief Executive Officer
Appointed 14 January 2011; Resigned 28 March 2017

Mr Glenn Ross
Non-Executive Director
Appointed 18 October 2015; Resigned 21 February 2017

Dr Nigel Finch
MCom LL.M MBA PhD CA CTA FCPA FTIA FAICD
Executive Chairman
Appointed 1 June 2016; Resigned 16 November 2016

COMPANY SECRETARY

Ms Alyn Tai
LLB (Hons)
Company Secretary
Appointed 26 June 2016

Ms Tai is a practising lawyer who specialises in the areas of corporate and commercial law, and the provision of company secretarial and legal counsel services to ASX-listed entities.

INTEREST IN THE SHARES AND OPTIONS OF THE COMPANY

At the date of this report, the relevant interests of Directors in the Company's securities were:

Director	Note	Number of Ordinary Shares	Number of Options
Ms Joanne Bryant	(i)	8,862,865	-
Mr Gavin Coote		-	-
Ms Julie King	(ii)	118,838,359	-

The Directors' relevant interests in the Company's securities shown above are as follows:

(i) Ms Joanne Bryant has a relevant interest in 8,862,865 fully paid ordinary shares, which are held as follows:

a. 6,127,865 Ordinary fully paid shares are held by E L G Nominees Pty Ltd as trustee for The Gude Family NO 2 A/C

b. 2,560,000 Ordinary fully paid shares are held by ELG Nominees Pty Ltd

c. 175,000 Ordinary fully paid shares are held by JBB Superannuation Pty Ltd as trustee for the JBB Super Fund A/C

(ii) Ms Julie King has a relevant interest in 118,838,359 fully paid ordinary shares held by John W King Nominees Pty Ltd.

DIRECTORS' REPORT (CONTINUED)

SHARE OPTIONS - UNISSUED SHARES

At the date of this report, there were 27,350,000 options to acquire ordinary shares of Panorama Synergy Limited as follows:

Unissued ordinary shares under options

Note	Class of Unlisted Options	Exercise Price	Vesting Date	Expiry Date	Grant date	Fair value at grant date	Balance at 30 June 2017	Balance at date of this report
(i)	Class 1 Options	$0.70	31-Jul-17	30-Sep-17	27-Feb-15	$0.15	5,000,000	5,000,000
(ii)	Class 2 Options	$0.20	5-Sep-18	5-Sep-18	5-Sep-17	$0.04	16,175,000	16,175,000
(iii)	Class 3 Options	$0.40	5-Sep-18	2-Sep-19	5-Sep-17	$0.03	6,175,000	6,175,000

(i) On 31 October 2016, Mr Walsh voluntarily cancelled 1,100,000 Class 1 Options.

(ii) On 5 September 2016, 16,800,000 Class 2 Options were issued under the ESOP, and subsequently 625,000 were forfeited due to failure to meet vesting conditions.

(iii) On 5 September 2016, 6,800,000 Class 3 Options were issued under the ESOP, and subsequently 625,000 were forfeited due to failure to meet vesting conditions.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate or in the interest issue of any other registered scheme.

For details of options issued to Directors and executives as remuneration, refer to the Remuneration Report.

DIVIDENDS PAID OR RECOMMENDED

No dividends have been paid or declared since the start of the period and the Directors do not recommend the payment of a dividend in respect of the period.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The activities of the Company during the financial year were principally focussed around refining and improving its core intellectual property and the development of commercial applications for various technologies and research concepts. The Company's significant areas of focus were the research, development and commercialisation of its for Micro Electro Mechanical Systems (MEMS) spectroscopy sensors, and the development of technological deviations from this research, and the research, development and commercialisation of its LumiMEMS™ Reader optical readout system.

There were no significant changes in the nature of the consolidated Group's principal activities during the financial year.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR OPERATING RESULTS

The statement of comprehensive income shows a net loss after tax attributable to members of $4,332,975 (2016: $4,880,715).

DIRECTORS' REPORT (CONTINUED)

REVIEW OF OPERATIONS

The Company made a number of changes to the board of directors (**Board**), including the appointment of Mr Gavin Coote as Non-Executive Chairman, as well the appointments Ms Joanne Bryant and Ms Julie King as Non-Executive Directors.

The Company also made significant changes to the key executives of the Company, with the additions of Mr Peter Lewis AM as Chief Executive Officer and Mr Peter Russell as General Manager, Commercial. The new executives have been specifically tasked to reduce unnecessary cash burn, as well as to work with the Company's research and development team to accelerate the commercialisation and initial revenue generation from its technology platforms.

The Company has closed its Perth offices and is steadily centralising its operations in Melbourne.

The Company has undertaken a strategic and market review and has adjusted its growth strategy to target the global 'Sensor Economy'; that is providing smart, integrated sensor and connectivity solutions for its customers. The Company is actively seeking opportunities for the provision of its disruptive sensor technology, combined with wireless connectivity systems, Internet of Things platform ('IoT') technology and customer data analysis services. In combination, these technology sectors currently represent a nearly USD$2 Trillion global market. Concurrently, the Company is actively seeking new sensor and related technologies and companies to license or acquire to assist in its plans to provide an integrated sensor and connectivity technology platform for customers worldwide.

The Company is specifically targeting opportunities in the Precision Agriculture, Medical Technology, Defence and Industrial Process sectors (collectively, **Priority Markets**), all of which are experiencing accelerated growth in their use of sensors and internet connectivity.

The Company is collaborating with a number of development partners in these Priority Markets to adapt and customise the Company's technology platforms to meet specific customer needs. The collaboration partners provide the Company with sector-specific knowledge, competitive intelligence, detailed customer requirements and technology development know-how which are valuable inputs to providing enhanced solutions for customer needs.

OUTLOOK

The Board is optimistic about the outlook for the Company. Combining a fresh and focussed Board, a newly appointed team of proven and commercially astute technology executives, an experienced and qualified research and scientific team, and powerful long-term research and design partnerships, the Company is well positioned to execute on its objectives of becoming a global leader in the sensor economy and internet of things industry.

The Board would like to thank all shareholders for their continued support and invaluable contribution over the past year, and values shareholders' continued backing of Panorama Synergy as the Company moves into its new phase of accelerated product development and revenue growth.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial year not otherwise dealt with in this reporting period.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant events since the end of the reporting period.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

During FY18, the Company intends to continue pursuing its expansion strategy through organic growth and exploring suitable acquisitions to complement its core business offering.

DIRECTORS' REPORT (CONTINUED)

ENVIRONMENTAL ISSUES

The Company's operations are subject to environmental regulations under the law of the Commonwealth and State. The Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

INDEMNIFYING OFFICERS OR AUDITOR

The Company has indemnified the Directors and executives of the company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

To the extent permitted by law, the Company has agreed to indemnify its auditors, RSM Australia Partners, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify RSM Australia Partners during or since the financial year.

The Company has not otherwise, during or since the year end, agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability as such an officer or auditor.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

MEETINGS OF DIRECTORS

The table below sets out the attendance by Directors at meetings.

	Board of Directors' Meetings	
Directors	**No. of meetings eligible to attend**	**Attended**
Mr Terrence Walsh[1]	8	8
Mr Glenn Ross[2]	6	6
Dr Nigel Finch[3]	4	3
Ms Joanne Bryant[4]	7	7
Mr Gavin Coote[5]	6	6
Ms Julie King[6]	3	3

[1] Mr Terrence Walsh resigned as a Director on 28 March 2017
[2] Mr Glenn Ross resigned as a Director on 21 February 2017
[3] Dr Nigel Finch resigned as a Director on 16 November 2016
[4] Ms Joanne Bryant was appointed as a Director on 29 November 2016
[5] Mr Gavin Coote was appointed as a Director on 12 January 2017
[6] Ms Julie King was appointed as a Director on 28 March 2017

DIRECTORS' REPORT (CONTINUED)

NON-AUDIT SERVICES

No non-audit services have been provided by the entity's auditor, RSM Australia Partners.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 19 of the Financial Report.

RSM continues in office in accordance with section 327 of the Corporation Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

REMUNERATION REPORT (AUDITED)

Remuneration policy

The remuneration report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for key management personnel (**KMP**) who are defined as those persons having the authority and responsibility for planning and directing the major activities of the Company and the Company, directly and indirectly, including any director (whether executive or otherwise) of the parent Company.

Details of Key Management Personnel

(i) Specified Directors

Mr Gavin Coote
Non-Executive Chairman – Appointed 12 January 2017
Ms Julie King
Non-Executive Director – Appointed 28 March 2017
Ms Joanne Bryant
Non-Executive Director – Appointed 29 November 2016

Mr Terrence Walsh
Managing Director, Chief Executive Officer – Resigned 28 March 2017
Mr Glenn Ross
Non-Executive Director – Resigned 21 February 2017
Dr Nigel Finch
Executive Chairman – Resigned 16 November 2016

(ii) Specified Executives

Mr Peter R Lewis AM
Chief Executive Officer – Appointed 17 May 2017
Mr Peter Russell
General Manager, Commercial – Appointed 28 March 2017

Remuneration Philosophy

The performance of the Company depends on the quality of the Company's Directors, executives and employees and therefore the Company must attract, motivate and retain appropriately qualified industry personnel.

The remuneration policy of Panorama has been designed to align KMP objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short-term and long-term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the high-quality KMP to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the Company is as follows:

- The remuneration policy is to be developed and approved by the Board after professional advice is sought from independent external consultants where required.
- All KMP receive a base salary, superannuation, fringe benefits, and performance incentives.
- Performance incentives are only paid once predetermined key performance indicators (KPIs) have been met

REMUNERATION REPORT (AUDITED) (CONTINUED)

- Incentives paid in the form of options or rights are intended to align the interests of the directors and company with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.

- The Board reviews KMP packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

The Board has not established a formal remuneration committee, having regard to the size of the Company. The Board acknowledges that when the size and nature of the Company warrants the necessity of a formal remuneration committee, such a committee will operate under the Remuneration Committee Charter which has been approved and adopted by the Board.

The Board, in performing the function of the remuneration committee, reviews remuneration packages and practices applicable to the CEO and senior executives and the Board itself. This role also includes responsibility for share option schemes, incentive performance packages and retirement and termination entitlements. Remuneration levels are competitively set to attract the most qualified and experienced Directors and senior executives. The Board may obtain independent advice on the appropriateness of remuneration packages.

The performance of KMP is measured against criteria agreed annually with each executive and is based predominantly on the progress related to developing and commercialising the technology. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options. Any change must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

KMP are also entitled and encouraged to participate in the employee share and option arrangements to align directors' interests with shareholders' interests.

The employment terms and conditions of KMP are formalised in contracts of employment or consultancy agreements.

In accordance with the Company's Constitution, the aggregate remuneration that can be paid to the Company's Non-Executive Directors is $500,000 per annum, and the Board determines how this aggregate amount should be divided among individual Directors and in what proportions.

Further details of the Key Management Personnel remuneration for the year are detailed in Note 4.

Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of directors and otherwise in the execution of their duties as directors. A director may also be paid additional amounts as fees or as the directors determine where a director performs extra services or makes any special exertions, which in the opinion of the directors are outside the scope of the ordinary duties of a Director.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Specified Director Remuneration

CURRENT DIRECTORS

Mr Gavin Coote - Non-Executive Chairman

Remuneration

i. Fixed remuneration – The base remuneration from 28 March 2017 (as Non-Executive Chairman) is $60,000 per annum (exclusive of GST, but inclusive of any applicable superannuation). Mr Coote's remuneration (as Non-Executive Director) up to 27 March 2017 was $48,000 per annum.

ii. Expenses – Mr Coote is entitled to claim from the Company reimbursement of reasonable out-of-pocket expenses properly incurred in the performance of his duties and responsibilities (and upon production of satisfactory receipts).

Ms Julie King - Non-Executive Director

Remuneration

i. Fixed remuneration – The base remuneration is $48,000 per annum (exclusive of GST, but inclusive of any applicable superannuation).

ii. Expenses – Ms King is entitled to claim from the Company reimbursement of reasonable out-of-pocket expenses properly incurred in the performance of her duties and responsibilities (and upon production of satisfactory receipts).

Ms Joanne Bryant - Non-Executive Director

Remuneration

i. Fixed remuneration – The base remuneration is $48,000 per annum (exclusive of GST, but inclusive of any applicable superannuation).

ii. Expenses – Ms Bryant is entitled to claim from the Company reimbursement of reasonable out-of-pocket expenses properly incurred in the performance of her duties and responsibilities (and upon production of satisfactory receipts).

FORMER DIRECTORS

Mr Terrence Walsh - Managing Director, Chief Executive Officer – Resigned 28 March 2017

Remuneration

i. Fixed remuneration – Mr Walsh's base remuneration was $400,000 per annum plus statutory superannuation contributions at 9.5% per annum.

ii. Short term incentives - Mr Walsh was eligible to receive a short term incentive from the Company (**STI**), which was to be structured as a cash payment subject to achievement of relevant financial and non-financial performance measures, assessed after the end of each financial year on the basis of the Company's audited annual accounts. Mr Walsh's maximum entitlement to receive a STI for each financial year was 50% of his Base Salary (apportioned pro-rata for any period which is less than one year).

iii. Long term incentives – Mr Walsh was entitled to participate in the Company's long term incentive plan, under which he was to be entitled to receive performance rights to acquire ordinary shares in the Company.

Termination of employment

The Company had the right to terminate Mr Walsh's employment at any time by giving him 6 months' written notice of termination (or payment in lieu of such notice), or immediately in certain circumstances including serious misconduct and material breach of his employment agreement.

Non-competition and non-solicitation

Mr Walsh could not, during his employment, except with the written consent of the Company, engage in (directly or indirectly) any undertaking or business of a similar nature to, or in competition with, the business of the Company.

In addition, certain restraints apply to Mr Walsh after his resignation (which was effective on 28 March 2017), including that for a period of 12 months post termination, Mr Walsh may not be involved in any business activities in Australia which are in competition with the Company's activities.

Mr Glenn Ross - Non-Executive Director – Resigned 21 February 2017

Remuneration

i. Fixed remuneration – The base remuneration was $72,000 per annum (plus statutory superannuation to the maximum required by law).

ii. Expenses – Mr Ross was entitled to claim from the Company reimbursement of reasonable out-of-pocket expenses properly incurred in the performance of his duties and responsibilities (and upon production of satisfactory receipts).

Dr Nigel Finch - Executive Chairman – Resigned 16 November 2016

Remuneration

i. Fixed remuneration – The base remuneration was $240,000 per annum (plus statutory superannuation to the maximum required by law).

ii. Annual performance bonus – Dr Finch was entitled to receive an annual performance bonus subject to achieving the targets determined by the Board..

iii. Expenses – Dr Finch was entitled to claim from the Company reimbursement of reasonable out-of-pocket expenses properly incurred in the performance of his duties and responsibilities (and upon production of satisfactory receipts).

iv. Options – The Company had agreed to issue Dr Finch with 2,000,000 options to acquire shares; the issue of these options was to be subject to shareholder approval at a general meeting. As a result of Dr Finch's resignation on 16 November 2016, of these options were not issued.

Termination of agreement

The Company had the right to terminate Dr Finch's consulting agreement at any time by giving him 6 months' written notice of termination (or payment in lieu of such notice), or immediately in certain circumstances including serious misconduct and material breach of his agreement. Under certain termination conditions, Dr Finch was entitled to receive an additional month's consultancy Fee for each full year of continuous service, plus a pro-rata consultancy fee for any part of a year of continuous service provided.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Non-competition and non-solicitation

Dr Finch could not, during his engagement, except with the written consent of the Company, engage in (directly or indirectly) any undertaking or business of a similar nature to, or in competition with, the business of the Company.

In addition, certain restraints apply to Dr Finch after termination of his engagement with the Company for any reason, including that for a period of 12 months post termination, Dr Finch may not be involved in any business activities in Australia which are in competition with the Company's activities.

Specified Executive Remuneration

Mr Peter R Lewis AM - Chief Executive Officer

Duration – ongoing (until termination) from the effective date of 17 May 2017

Remuneration

i. Fixed remuneration – Mr Lewis' base remuneration is $273,973 per annum, plus statutory superannuation contributions at 9.5% per annum.

ii. Long term incentives – Mr Lewis will be invited to participate in the Company's long term incentive plan, under which he will be entitled to receive performance rights to acquire ordinary shares in the Company (**Performance Rights**). The vesting of the Performance Rights will be subject to certain performance hurdles, including prescribed revenue targets and continuous employment

iii. Mr Lewis will be issued 4,000,000 Performance Rights on the terms and conditions noted below:

   a. Tranche 1: 2,000,000 Performance Rights to be issued after the Commencement Date, which will relate to the performance period between the Commencement Date and 30 June 2018 (FY18 Performance Period);

   b. Tranche 2: 1,000,000 Performance Rights to be issued after 30 June 2018, which will relate to the performance period between 1 July 2018 and 30 June 2019 (FY19 Performance Period); and

   c. Tranche 3: 1,000,000 Performance Rights to be issued after 30 June 2019, which will relate to the performance period between 1 July 2019 and 30 June 2020 (FY20 Performance Period).

   The vesting of Performance Rights will be subject to fulfilment of certain conditions which will be tested over the relevant Performance Period (Vesting Conditions), and are expected to include:

   - The Executive's achievement of financial and non-financial performance measures (which will be determined by the Board) over the relevant Performance Period. It is expected that financial performance measures will be based on revenue or other financial metric targets determined by the Board in respect of each Performance Period, and non-financial measures will be based on key performance indicators determined by the Board in respect of each Performance Period.

   - The Executive remains in the employ of the Company in his role of Chief Executive Officer, or other eligible role as determined by the Board, as at the end of the relevant Performance Period.

   The Board will assess the achievement of the Vesting Conditions after the end of Performance Period on the basis of the Company's audited annual accounts. Where the Board determines that the Vesting Conditions have not been met, the relevant Tranche of Performance Rights will lapse.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Termination of employment

i. Mr Lewis' employment may be terminated at any time by the Company giving him 3 months' written notice of termination (or payment in lieu of such notice). The Company may terminate Mr Lewis' employment immediately in certain circumstances including serious misconduct and material breach of the Agreement. The Company may also terminate Mr Lewis' employment if he is incapacitated for an extended period.

ii. Mr Lewis may terminate his employment at any time by giving the Company 3 months' written notice of termination.

Non-competition and non-solicitation

Mr Lewis must not, during his engagement, except with the written consent of the Company, engage in (directly or indirectly) any undertaking or business of a similar nature to, or in competition with, the business of the Company. In addition, certain restraints apply to Mr Lewis after termination of his engagement with the Company for any reason, including that for a period of 12 months post termination, Mr Lewis may not be involved in any business activities in Australia which are in competition with the Company's activities.

Mr Peter Russell – General Manager, Commercial

Duration – ongoing (until termination) from the effective date of 29 March 2017

Remuneration

Fixed remuneration – The base remuneration is $20,000 per month.

Non-competition and non-solicitation

Mr Russell must not, during his engagement, except with the written consent of the Company, engage in (directly or indirectly) any undertaking or business of a similar nature to, or in competition with, the business of the Company. In addition, certain restraints apply to Mr Russell after termination of his engagement with the Company for any reason, including that for a period of 12 months post termination, Mr Russell may not be involved in any business activities in Australia which are in competition with the Company's activities.

Termination of employment

Mr Russell's employment may be terminated at any time by either party, by giving 14 days written notice of termination (or payment in lieu of such notice). The Company may terminate Mr Russell's employment immediately in certain circumstances including serious misconduct and material breach of the Agreement. The Company may also terminate Mr Russell's employment if he is incapacitated for an extended period.

Engagement of Remuneration Consultants

During the financial year no external consultants were engaged to review the remuneration and provide recommendations relating to KMP.

Remuneration Details for the Year Ended 30 June 2017

The following tables detail, in respect to the financial year, the components of remuneration for each member of KMP of the Company:

REMUNERATION REPORT (AUDITED) (CONTINUED)

Table of Benefits and Payments for the year ended 30 June 2017

	Short-term benefits			Post-Employment Benefits	Equity-settled share based Payments	
2017	**Salary** $	**Fees** $	**Cash Bonus** $	**Super-annuation** $	**Options** $	**Total** $
Directors - Current						
Mr Gavin Coote[1]	25,184	96,221[11]	-	-	-	121,405
Ms Julie King[2]	12,362	-	-	-	-	12,362
Ms Joanne Bryant[3]	28,011	-	-	-	-	28,011
Directors - Previous						
Mr Terrence Walsh[4]	325,000	-	-	28,674	192,764[9]	546,438
Mr Glenn Ross[5]	50,250	-	-	-	-	50,250
Dr Nigel Finch[6]	230,000	-	-	8,550	(7,654)	230,896
Total Directors	**670,807**	**96,221**	**-**	**37,224**	**185,110**	**989,362**
Specified Executives						
Mr Peter Lewis[7]	34,422	-	-	3,270	-	37,692
Mr Peter Russell[8]	60,000	-	-	-	-	60,000
Total Specified Executives	**94,422**	**-**	**-**	**3,270**	**-**	**97,692**
Total	**765,229**	**96,221**	**-**	**40,494**	**185,110**	**1,087,054**

[1] Mr Coote was appointed to the board on 12 January 2017

[2] Ms Julie King was appointed to the board on 28 March 2017

[3] Mr Joanne Bryant was appointed to the board on 29 November 2017

[4] Mr Terry Walsh resigned from the board effective 28 March 2017

[5] Mr Glenn Ross resigned from the board effective 21 February 2017

[6] Dr Nigel Finch resigned from the board effective 16 November 2017

[7] Mr Peter Lewis was appointed as Chief Executive Officer effective from 17 May 2017

[8] Mr Peter Russell was appointed as General Manger, Commercial effective form 28 March 2017

[9] The options issued to Terry Walsh were voluntarily cancelled during the year prior to the options vesting. The options issued to Mr Walsh were accordingly cancelled and the expense accelerated for the remaining vesting period before being removed from the share based payments reserve. For further information regarding the treatment of the share based payments, refer to Note 6 of the Notes to the Financial Statements.

[10] Dr Nigel Finch was not issued with the options to which the Equity-settled share-based Payments in the previous financial year relate; these options were to be issued subject to shareholder approval being obtained at a General Meeting in accordance with the terms of Dr Finch's appointment. The options were not issued to Dr Finch due to his resignation prior to the General Meeting. Accordingly, the previous year's expense was written back in the current financial year. For further information regarding the treatment of the share based payments, refer to Note 6 of the Notes to the Financial Statements.

[11] Relates to professional fees payable to Mr Gavin Coote for consultancy and advisory work performed by him outside the scope of his role as Director; the fees are at arm's length rates and agreed by the Board.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Table of Benefits and Payments for the year ended 30 June 2016

	Short-term benefits			Post Employment Benefits	Equity-settled share-based Payments[6]	
2016	**Salary $**	**Fees $**	**Cash Bonus $**	**Superannuation $**	**Options $**	**Total $**
Directors						
Dr Nigel Finch	-	20,000	-	1,900	7,654[7]	29,554
Mr Terry Walsh	18,000	126,000	17,250	3,349	177,712	342,311
Mr Glenn Ross[1]	31,572	66,915	-	-	-	98,487
Mr Aidan Montague[2]	12,000	123,130	11,500	2,233	(104,394)	44,469
Mr Jeff Braysich[3]	3,581	21,614	111,581[3]	680	(104,394)	33,062
Dr Jason Chaffey[4]	22,663	-	-	1,758	(201,672)	(177,251)
Total Directors	**87,816**	**357,659**	**140,331**	**9,920**	**(225,094)**	**370,632**
Specified Executives						
Mr Anthony Karam[5]	3,581	21,614	111,581[5]	680	(104,394)	33,062
Total	**91,397**	**379,273**	**251,912**	**10,600**	**(329,488)**	**403,694**

[1] Glenn Ross appointed on 18 October 2015, previously part of the advisory board.

[2] Aidan Montague resigned as Non-Executive Director on 26 June 2016.

[3] Jeff Braysich resigned 18 October 2015, Cash Bonus contains termination payments for employment and consulting agreements.

[4] Jason Chaffey resigned 2 July 2015.

[5] Anthony Karam resigned 18 October 2015, Cash Bonus contains termination payments for employment and consulting agreements.

[6] The options issued to Aidan Montague, Jeff Braysich, Jason Chaffey and Anthony Karam lapsed during the year, due to their resignations during the year and subsequent non-satisfaction of vesting conditions of continued employment. The options issued to each of them were accordingly lapsed, cancelled and the expense reversed. For further information regarding the treatment of the share based payments, refer to Note 6 of the Notes to the Financial Statements.

[7] Dr Nigel Finch was not issued with the options to which the Equity-settled share-based Payments in the previous financial year relate; these options were to be issued subject to shareholder approval being obtained at a General Meeting in accordance with the terms of Dr Finch's appointment. The options were not issued to Dr Finch due to his resignation prior to the General Meeting. Accordingly, the previous year's expense was written back in the current financial year. For further information regarding the treatment of the share based payments, refer to Note 6 of the Notes to the Financial Statements.

REMUNERATION REPORT (AUDITED) (CONTINUED)

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2017	2016	2017	2016	2017	2016
Directors:						
Mr Gavin Coote	100%	-	-	-	-	-
Ms Julie King	100%	-	-	-	-	-
Ms Joanne Bryant	100%	-	-	-	-	-
Mr Terrence Walsh	65%	43%	-	5%	35%	52%
Mr Glenn Ross	100%	-	-	-	-	-
Dr Nigel Finch	100%	75%	-	-	-	25%
Mr Aidan Montague	-	74%	-	26%	-	-
Mr Jeff Braysich	-	89%	-	11%	-	-
Dr Jason Chaffey	-	100%	-	-	-	-
Other Key Management Personnel:						
Mr Peter R Lewis AM	100%	-	-	-	-	-
Mr Peter Russell	100%	-	-	-	-	-
Mr Anthony Karam	-	89%	-	11%	-	-

KMP Shareholdings

The number of ordinary shares in Panorama Synergy Limited held by each KMP of the Company during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Mr Gavin Coote	-[1]	-	-	-	-
Ms Julie King	118,838,359[2]	-	-	-	118,838,359
Ms Joanne Bryant	8,862,865[3]	-	-	-	8,862,865
Mr Terrence Walsh	44,040,501	-	-	25,000	44,065,501[4]
Mr Glenn Ross	100,000	-	-	-	100,000[5]
Dr Nigel Finch	40,000	-	-	-	40,000[6]
Mr Peter Lewis AM	-			-	-
Mr Peter Russell	-			-	-
	171,881,725	**-**	**-**	**25,000**	**171,906,725**

[1] Holding reflects the initial interest on the date of appointment of Mr Coote on 12 January 2017
[2] Holding reflects the initial interest on the date of appointment of Ms King on 28 March 2017
[3] Holding reflects the initial interest on the date of appointment of Ms Bryant on 29 November 2017
[4] Holding reflects the final interest on the date of resignation of Mr Walsh on 28 March 2017
[5] Holding reflects the final interest on the date of resignation of Mr Ross on 21 February 2017
[6] Holding reflects the final interest on the date of resignation of Mr Finch on 16 November 2017

REMUNERATION REPORT (AUDITED) (CONTINUED)

KMP Options Holdings

The number of options over shares in Panorama Synergy Limited held by each KMP of the Company during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Mr Gavin Coote	-	-	-	-	-
Ms Julie King	-	-	-	-	-
Ms Joanne Bryant	-	-	-	-	-
Dr Nigel Finch	2,000,000	-	-	(2,000,000)[1]	-
Mr Terry Walsh	3,300,000	-	-	(3,300,000)[2]	-
Mr Glenn Ross	-	-	-	-	-
Mr Peter Lewis	-	-	-	-	-
Mr Peter Russell	-	-	-	-	-
	5,300,000	**-**	**-**	**(5,300,000)**	**-**

[1] Mr Walsh voluntarily cancelled his options on 31 October 2016.

[2] Under the terms of his appointment 2,000,000 Director Options were to be issued to Dr Nigel Finch (or his nominee) subject to shareholder approval at a General Meeting. Under accounting standards, the expense for the options must be allocated over the same period as services provided. The options were not issued to Dr Finch due to his resignation prior to the General Meeting.

Performance of Panorama Synergy Limited

The table below sets out summary information about the entity's earnings and movement in shareholder wealth.

	30/06/2017 $	30/06/2016 $	30/06/2015 $	30/06/2014 $	30/06/2013 $
Revenue	793,258	98,464	170,279	19,055	15,167
Net (loss) before tax	(4,236,755)	(4,880,714)	(4,382,249)	(1,550,142)	(1,720,819)
Net (loss) after tax	(4,236,755)	(4,880,714)	(4,020,406)	(1,419,513)	(1,671,383)
Share price at the start of year	0.10	0.13	0.05	0.004	0.05
Share price at the end of year	0.038	0.10	0.13	0.05	0.004
Dividends	-	-	-	-	-
Basic loss per share (cents per share)	(0.84)	(0.96)	(0.82)	(0.38)	(0.97)
Diluted loss per share (cents per share)	(0.84)	(0.96)	(0.82)	(0.38)	(0.97)

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Mr Gavin Coote
Non-Executive Chairman
31 August 2017

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Panorama Synergy Limited for the year ended 30 June 2017 I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

R B MIANO
Partner

31 August 2017
Melbourne, Victoria

PANORAMA SYNERGY LIMITED
ABN: 84 060 369 048

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	Company 2017 $	Consolidated Group 2016 $
Revenue	2	30,246	98,464
Research and development tax offset	2	697,055	25,134
Grant funding	2	50,376	-
Other income	2	15,581	-
Employee benefits expense		(888,681)	(779,026)
Research and development expense		(786,870)	(1,322,661)
Administration expense		(532,571)	(302,786)
Share based payment expenses	18	(1,364,017)	(1,326,509)
Depreciation and amortisation		(45,383)	(6,018)
Travel		(122,090)	(76,524)
Directors fees		(768,200)	(400,572)
Corporate advisory and consultants		(439,107)	(550,682)
Legal fees		(80,122)	(110,972)
Investor relations		(98,047)	(124,488)
Advertising		(44,119)	(4,093)
Loss before income tax		**(4,375,949)**	**(4,880,715)**
Income tax benefit		-	-
Loss after tax		**(4,375,949)**	**(4,880,715)**
Other comprehensive income:	23(b)	42,975	-
Total comprehensive loss for the year		**(4,332,974)**	**(4,880,715)**
Loss attributable to:			
Members of the Company		**(4,332,974)**	**(4,880,715)**
Total comprehensive (loss) attributable to:			
Members of the Company		**(4,332,974)**	**(4,880,715)**
Loss per share			
From continuing operations:			
Basic earnings per share (cents)		(0.86)	(0.96)
Diluted earnings per share (cents)		(0.86)	(0.96)

The accompanying notes form part of these financial statements.

PANORAMA SYNERGY LIMITED
ABN: 84 060 369 048

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	Company 2017 $	Consolidated Group 2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	913,049	3,689,027
Short term investments	8	51,225	50,000
Trade and other receivables	9	66,449	80,480
Prepayments		11,753	8,553
TOTAL CURRENT ASSETS		**1,042,476**	**3,778,060**
NON-CURRENT ASSETS			
Other financial assets - available for sale	10	92,975	50,000
Plant and equipment	12	283,537	326,179
TOTAL NON-CURRENT ASSETS		**376,512**	**376,179**
TOTAL ASSETS		**1,418,988**	**4,154,239**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	829,166	586,336
Provisions	15	31,709	40,833
TOTAL CURRENT LIABILITIES		**860,875**	**627,169**
TOTAL LIABILITIES		**860,875**	**627,169**
NET ASSETS		**558,113**	**3,527,070**
EQUITY			
Issued capital	16	70,208,830	70,208,830
Share based payments reserves	23	1,265,689	2,918,542
Available for sale financial asset reserve	23	42,975	-
Accumulated losses		(70,959,381)	(69,600,302)
TOTAL EQUITY		**558,113**	**3,527,070**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

PANORAMA SYNERGY LIMITED
ABN: 84 060 369 048

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

Consolidated	Issued Capital	Share based payment reserve	Foreign currency translation reserve	Available for sale financial asset reserve	Accumulated Losses	Total
	$	$	$	$	$	$
Balance at 1 July 2015	**70,208,830**	**4,535,632**	**1,485**	**-**	**(67,664,181)**	**7,081,766**
Comprehensive income						
Dissolution of foreign subsidiary	**-**	-	(1,485)	-	994	(491)
Loss for the year	**-**	-	-	-	(4,880,714)	(4,880,714)
Total comprehensive loss for the year	**-**	-	-	-	(4,879,720)	(4,881,205)
Transactions with owners, in their capacity as owners, and other transfers:						
Share based payments	**-**	1,326,509	-	-	-	1,326,509
Expired options	**-**	(2,943,599)	-	-	2,943,599	-
Balance at 30 June 2016	**70,208,830**	**2,918,542**	**-**	**-**	**(69,600,302)**	**3,527,070**
Company						
Balance at 1 July 2016	**70,208,830**	**2,918,542**	**-**	**-**	**(69,600,302)**	**3,527,070**
Comprehensive income						
Loss for the year	**-**		-	-	(4,375,949)	(4,375,949)
Other comprehensive income				42,975	-	42,975
Total comprehensive loss for the year	**-**	-	-	42,975	(4,375,949)	(4,332,974)
Transactions with owners, in their capacity as owners, and other transfers:						
Share based payments	**-**	1,364,017	-	-	-	1,364,017
Expired options	**-**	(3,016,870)	-	-	3,016,870	-
Balance at 30 June 2017	**70,208,830**	**1,265,689**	**-**	**42,975**	**(70,959,381)**	**558,113**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	Company 2017 $	Consolidated Group 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		16,706	106,537
Income tax receipt (R&D Rebate)		697,055	386,725
Other Income		103,746	-
Payments to suppliers and employees (inc GST)		(3,582,335)	(3,348,828)
Net cash (used in) operating activities	18	**(2,764,828)**	**(2,855,566)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(11,150)	(139,713)
Net cash (used in) investing activities		**(11,150)**	**(139,713)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	-
Share issue costs		-	-
Net cash provided by financing activities		**-**	**-**
Net decrease in cash held		(2,775,978)	(2,995,279)
Cash and cash equivalents at beginning of financial year		3,689,027	6,684,306
Cash and cash equivalents at end of financial year	7	**913,049**	**3,689,027**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

These financial statements and notes represent those of Panorama Synergy Limited (the "Company" or "Panorama").

The financial statements were authorised for lodgement on 31 August 2017 by the Directors of the company.

Panorama Synergy Limited is a company limited by shares and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The activities of the entity constituted by the Company during the financial year were principally that of developing commercial applications to various technologies and concepts. The Company's significant areas of focus are the research, development and commercialisation of the Micro-Electro-Mechanical Systems and the development of technological deviations from this research.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

These financial statements have been prepared under the historical cost convention.

Going Concern

The financial statements have been prepared on the 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.

The entity recorded a net loss of $4,332,974 for the year ended 30 June 2017 (30 June 2016: net loss of $4,880,715) and the Company's position as at 30 June 2017 was as follows:

- The Company had cash reserves of $964,274 (balance includes $51,225 on deposit);
- The Company had negative operating cash flows of $2,764,828 (30 June 2016: negative operating cash flows of $2,855,655) including $786,310 in payments for research and development expenses for the year ended 30 June 2017; and
- The Company had positive working capital at 30 June 2017 of $181,601 (30 June 2016: $3,150,891)

The Company's main activity is developing commercial applications to various technologies and at the current period-end does not have a source of income, rather it is reliant on debt and / or equity raisings to fund these activities.

Despite this financial position, in the Directors' opinion there are reasonable grounds to believe the Company will be able to continue as a going concern, after consideration of the following factors:

- the Company expects to raise sufficient cash through an equity raising to ensure that the Company can meet its research and development and operational expenditure commitments for at least the next twelve months and pay its debts, as and when they fall due; and

- the Company has obtained additional funding in the form of a $1.5m loan facility from an existing shareholder to support its cash flow requirements over the next 12 months. The terms of the facility are further described in Note 14. The Directors have no reason to believe the facility will be withdrawn.

Accordingly, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company does not continue as a going concern.

(a) Income Tax

The income tax expense benefit for the year comprises current income tax expense benefit and deferred tax expense benefit. Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

(a) Income Tax (continued)

The Company is entitled to a research and development rebate from the Australian Taxation Office for certain expenses incurred on research during the year. The Company recognises this rebate as an income tax benefit in the same year in which the relevant expense is incurred. A receivable will only be recorded when with inflow is considered probable.

(b) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment). The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Plant and equipment	40%

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(c) Investments

Investments in subsidiaries are accounted applying the "cost" method in the separate financial statements of the parent entity.

(d) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy.

Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(d) Financial Instruments (continued)

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period.

(iv) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

(e) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, to the asset’s carrying amount. Any excess of the asset’s carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Share Based Payments

The cost of equity-settled transactions with employees / consultants / suppliers is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an appropriate pricing model, taking into account the terms and conditions upon which options were granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Panorama Synergy Limited ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees / consultants / suppliers become fully entitled to the equity instrument ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of equity instrument 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 instrument that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the equity instrument is recognised immediately. However, if a new equity instrument is substituted for the cancelled equity instrument and designated as a replacement equity instrument on the date that it is granted, the cancelled and new equity instrument are treated as if they were a modification of the original equity instrument, as described in the previous paragraph

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(g) Foreign Currency Transactions and Balances

The functional and presentation currency of Panorama Synergy Limited is Australian dollars ($AUD).

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

(h) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(i) Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of /services, where the amount of cash is determined by reference to the share price.

(j) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(l) Revenue and Other Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

(l) Revenue and Other Income (continued)

Government grants

Grants that compensate the Company for expenditures incurred are recognised in profit or loss on a systematic basis in the periods in which the expenditures are recognised.

R&D tax offsets received will be recognised in profit before tax (in EBIT) over the periods necessary to match the benefit of the credit with the costs for which it is intended to compensate. Such periods will depend on whether the R&D costs are capitalised or expensed as incurred.

(m) Trade and Other Receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(r) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Company has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(s) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates

(i) Impairment - General

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(ii) Share based payments

The Company assesses the fair value of options granted applying Black & Scholes valuation model. The use of this model requires management to make assumptions regarding key inputs such as risk free rate, share price volatility and time to maturity.

(t) New Accounting Standards for Application in Future Periods

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period, resulting in no changes to accounting policy changes and no changes to recognition and measurement. Various other Standards and Interpretations were on issue but were not yet effective at the date of authorisation of the financial report. The issue of these Standards and Interpretations does not affect the Company's present policies and operations. The Directors anticipate that the adoption of these Standards and Interpretations in future periods will not materially affect the amounts recognised in the financial statements of the Company but may change the disclosure presently made in the financial statements of the Company.

(t) New Accounting Standards for Application in Future Periods (continued)

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Company. The Company has assessed the impact of the new accounting standard and deemed to be immaterial as at 30 June 2017.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Company. The Company has assessed the impact of the new accounting standard and deemed to be immaterial as at 30 June 2017currently due to minimal revenue form Contracts with Customers.

(t) New Accounting Standards for Application in Future Periods (continued)

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Company has assessed the impact of the accounting standard change to be immaterial as at 30 June 2017 as per note 17 there is only one operating lease which is immaterial to the Company.

Note 2: Revenue and Other Income

	Company 2017	Consolidated Group 2016
Revenue from continuing operations:	$	$
Revenue from operations	30,246	-
Grant funding	50,376	-
Finance income - bank interest	15,581	98,464
Research and development tax offset	697,055	25,134
Total revenue	**793,258**	**123,598**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

Note 3: Income Tax Benefit

	Company 2017 $	Consolidated Group 2016 $
(a) The components of tax benefit comprise:		
Current tax	-	25,152
Deferred tax	-	-
	-	25,152
(b) The prima facie tax on loss from continuing operations before income tax is reconciled to the income tax expense as follows:		
Loss before income tax	4,375,949	4,905,867
Prima facie tax from continuing operations at 30% (2016: 30%)		
- consolidated Company	1,312,785	1,471,760
Less:		
Tax effect of:		
- other non-allowable items	(829,071)	(767,000)
	483,714	704,760
Add:		
Tax effect of:		
— Effect of R&D Rebate @ 15% of eligible expenses	157,053	163,629
Deferred Tax Asset (DTA) on temporary differences and tax losses not brought to account	(640,767)	(843,237)
Income tax benefit attributable to entity	-	25,152
(c) Deferred tax assets not brought to account at reporting date		
Accrued / Provision	-	-
Tax losses:		
— Operating losses (at 30%)	3,609,671	3,326,064
— Capital losses	-	-
	3,609,671	3,326,064
Deferred tax liabilities		
Accrued Interest	-	-
	-	-
Net deferred tax asset not brought to account	3,609,671	3,26,064

The deferred tax asset not brought to account will only be obtained if:

(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

(b) the conditions for deductibility imposed by tax legislation continue to be complied with; and

(c) the company is able to meet the continuity of business and or continuity of ownership tests.

Note 4: Key Management Personnel Compensation

Details of key management

(i) Directors

Mr Gavin Coote	Non-Executive Chairman	Appointed 12 January 2017
Ms Julie King	Non-Executive Director	Appointed 28 March 2017
Ms Joanne Bryant	Non-Executive Director	Appointed 29 November 2016
Mr Terrence Walsh	Managing Director, Chief Executive Officer	Resigned 28 March 2017
Mr Glenn Ross	Non-Executive Director	Resigned 21 February 2017
Dr Nigel Finch	Executive Chairman	Resigned 16 November 2016

(ii) Executives

Mr Peter Lewis	Chief Executive Office	Appointed 17 May 2017
Mr Peter Russell	General Manager, Commercial	Appointed 29 February 2017

Remuneration of key management personnel

Refer to the Remuneration Report contained in the Directors Report for details of the remuneration paid or payable to each member of the Company's key management personnel (KMP) for the year ended 30 June 2017.

The totals of remuneration paid to KMP of the company and the Company during the year are as follows:

	Company 2017 $	Consolidated Group 2016 $
Short-term employee benefits	645,229	506,582
Fees paid director[3]	96,221	-
Post-employment benefits	40,494	10,600
Termination benefits	120,000	216,000
Share-based payments:		
- Expensed during the period[1]	192,764	468,897
- Options cancelled and not vested[2]	(7,654)	(798,385)
Total KMP compensation	**990,833**	**403,694**

[1] Options issued to Terry Walsh were voluntarily cancelled, thus under accounting standards the expense was accelerated over the remaining vesting period and the expensed portion was subsequently removed from the share based payment reserve.

[2] Subsequent to ceasing employment the options were cancelled and the expense has been reversed, this includes an adjustment for expense on these options in prior financial periods.

[3] Fees paid to Director, includes professional fees payable to Mr Gavin Coote for consultancy and advisory work performed by him outside the scope of his role as Director; the fees are at arm's length rates and agreed by the Board.

Short-term employee benefits

- these amounts include fees and benefits paid to the executive chair and executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Post-employment benefits

- these amounts are the current year's estimated cost of providing for the Company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

Note 4: Key Management Personnel Compensation (continued)

Share-based payments

- these amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the Director's Remuneration Report.

Note 5: Auditors' Remuneration

The auditor of Panorama Synergy Limited is RSM Partners Australia and Deloitte in the prior financial year.

	2017	2016
	$	$
Remuneration of the auditor for:		
Auditing or reviewing the financial report of the entity and any other entity of the Company – Deloitte	-	28,000
Auditing or reviewing the financial report of the entity and any other entity of the Company – RSM Partners Australia	22,438	-

Note 6 Earnings per Share

	Company 2017	Consolidated Group 2016
	$	$
Reconciliation of earnings to profit or loss		
(a) Earnings used to calculate basic EPS	(4,332,974)	(4,880,714)
Earnings used in the calculation of dilutive EPS	(4,332,974)	(4,880,714)
	Number	**Number**
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	506,190,788	506,190,788
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	506,190,788	506,190,788
(c) Anti-dilutive shares excluded from weighted average number of shares:	**Number**	**Number**
Share options	27,350,000	18,300,000
Undiluted and diluted loss per share (cents)	(0.86)	(0.96)

Note 7: Cash and Cash Equivalents

	2017	2016
	$	$
Cash at bank and on hand	913,049	3,639,027
	913,049	**3,639,027**

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Note 8: Short term investments

	2017	2016
	$	$
Short-term bank deposits	51,225	50,000
	51,225	**50,000**

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Note 9: Trade and Other Receivables

	2017	2016
	$	$
CURRENT		
Other receivables (i)		
GST receivable	39,335	44,047
Security deposits receivable	27,114	36,433
Total current trade and other receivables	**66,449**	**80,480**

(i) Other receivables are non-interest bearing and expected to be received in 30 days.

Note 10: Other Financial Assets

	Company 2017	Consolidated Group 2016
	$	$
CURRENT		
Available-for-sale financial assets[1] (i) (ii)	92,975	50,000
Total non-current financial assets	**92,975**	**50,000**

(i) On 6 June 2015, the Company acquired 1,250,000 shares in Quantify Technologies Pty Ltd and received 625,000 free attaching options which converts into one new fully paid ordinary share for each option upon exercising, with an exercise price of $0.075 and expiring 31 May 2017.

(ii) On 8 March 2017 Quantify listed on the Australian Securities Exchange; accordingly the asset was adjusted to fair value using the closing Quantify share price on the ASX on 30 June 2017.

[1] The above investment is a level 1 financial instrument for fair value purposes, for fair value disclosure refer to note 25

Note 11: Controlled Entities

(a) **Controlled Entities Consolidated**

	Country of Incorporation	Percentage Owned (%) 2017	Percentage Owned (%) 2016
Subsidiaries of Panorama Synergy Limited:			
Digital Nervous Systems Pty Limited	Australia	-	100

Note 12 Plant and Equipment

	Company 2017 $	Consolidated Group 2016 $
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	346,406	36,916
Accumulated depreciation	(54,461)	(9,078)
Foreign exchange movement	(8,408)	-
Capital work in progress	-	298,341
Total plant and equipment	**283,537**	**326,179**

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Work in Progress $	Plant and Equipment $	Total $
Consolidated Group:			
Balance at 1 July 2015	-	14,535	14,535
Additions	298,341	19,321	317,662
Depreciation expense	-	(6,018)	(6,018)
Balance at 30 June 2016	**298,341**	**27,838**	**326,179**
Company:			
Balance at 1 July 2016	**298,341**	**27,838**	**326,179**
Additions	-	11,149	11,149
Transfer	(298,341)	298,341	-
Foreign exchange movement	-	(8,408)	(8,408)
Depreciation expense	-	(45,383)	(45,383)
Balance at 30 June 2017	**-**	**283,537**	**283,537**

Impairment
There has been no impairment of plant and equipment $nil (2016: $nil).

Note 13: Trade and Other Payables

	Company 2017	Consolidated Group 2016
CURRENT	$	$
Unsecured liabilities		
Trade payables (i)	404,971	331,627
Other payables	8,480	-
Accrued expenses	386,370	232,950
Employee PAYG withholding tax	29,345	21,759
Total current trade and other payables	**829,166**	**586,336**

(i) Trade payable are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and have an average term of 3 months.

All financial liabilities are at amortised cost.

Note 14: Financial Liabilities

On 27 April 2017, the Company entered into a loan facility agreement with a major shareholder. The facility limit is $1,500,000, it is unsecured and attracts a 2% interest rates on amounts drawn down.

As at 30 June 2017 no amounts have been drawn down on the loan facility.

Note 15: Provisions

	2017	2016
	$	$
CURRENT		
Employee entitlements	31,709	40,833
Total current Provisions	**31,709**	**40,833**

Note 16: Issued Capital

	Company	Consolidated Group
	2017	2016
	$	$
Ordinary shares issued and fully paid (a)	70,208,830	70,208,830
Options issued (b)	27,350,000	18,300,000

(a) **Ordinary Shares**	Number	$
As at 30 June 2016	506,190,788	70,208,830
As at 30 June 2017	506,190,788	70,208,830

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholder meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital form 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

(b) **Options Issued**	Number
At 1 July 2015	33,000,000
- Options cancelled on failure to meet vesting conditions	(14,700,000)
At the end of the reporting period - 30 June 2016	**18,300,000**
At 1 July 2016	18,300,000
- Options which expired unexercised	(10,000,000)
- Options voluntarily forfeited by Mr Terry Walsh	(3,300,000)
- Options issued under the ESOP	23,600,000
- Options cancelled on failure to meet vesting conditions	(1,250,000)
At the end of the reporting period - 30 June 2017	**27,350,000**

Refer to Note 19 for share base payments in the current period.

(c) **Capital Management**

Management controls the capital of the Company in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

Note 17: Capital and other Commitments

Capital and other commitments

	Company	Consolidated Group
Operating Lease Commitments	**2017**	**2016**
Non-cancellable operating leases contracted for but not recognised in	**$**	**$**
the financial statements		
Payable — minimum lease payments		
not later than 12 months	22,618	46,494
between 12 months and 5 years	-	-
later than 5 years	-	-
	22,618	**46,494**

The Company holds non-cancellable property lease in Perth which expires within 12 months of the reporting date.

Other than the abovementioned, there are no capital or other commitments as at reporting date (2016: $nil).

Note 18: Cash Flow Information

	Company	Consolidated Group
	2017	**2016**
Income Tax	**$**	**$**
(Loss) after income tax	(4,332,974)	(4,880,714)
Adjustments for:		
Depreciation of plant and equipment	45,383	6,018
Share based payment expenses	1,364,017	1,326,509
Unrealised gains on investments	(42,975)	-
Foreign exchange movement on PPE	8,409	-
Changes in assets and liabilities:		
(Increase)/decrease in trade and term receivables	(37,195)	15,978
Decrease in current tax asset	-	369,648
(Increase)/decrease in prepayments	(3,200)	11,878
Increase in trade payables and other payables	242,830	268,960
(decrease)/increase in provisions	(9,123)	26,157
Cash flow used in operations	**(2,764,828)**	**(2,855,566)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

Note 19:Share-based Payments

The following share based payments were in existence as at 30 June 2017:

	Options Series	Number	Grant Date	Vesting Date	Expiry date	Issue price	Exercise price	Fair value at grant date
1	Issued 27 February 2015	5,000,000	27/02/2015	31/07/2017	30/09/2017	-	70 cents	14.73 cents
2	Issued 5 September 2016	16,175,000	05/09/2016	05/09/2017	05/09/2018	-	20 cents	3.50 cents
3	Issued 5 September 2016	6,175,000	05/09/2016	05/09/2018	05/09/2019	-	40 cents	3.39 cents

For the movements in share options during the current and prior year, refer to note 16.

The weighted average remaining contractual life of options outstanding at year end was 3.61 years (2016: 1.32 years).

The weighted average share price during the financial year was $0.34 (2016: $0.45).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
05/09/2016	05/09/2018	9.8 cents	20 cents	100%	-	2.50%	3.50 cents
05/09/2016	05/09/2019	9.8 cents	40 cents	100%	-	2.50%	3.39 cents

Note 20: Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 21: Related Party Transactions

(a) The Company's main related parties are as follows:

i. Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel. For details of disclosures relating to key management personnel, refer to Note 6: Interests of Key Management Personnel Compensation.

ii. Entities subject to significant influence by the Company:

An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iii. Other Related Parties

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

Note 21: Related Party Transactions (continued)

(b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

(i) Purchases from related parties

	Company	Consolidated Group
	2017	2016
i. Key Management Personnel	$	$
Rent expense[1]	-	10,486
	-	**10,486**

[1] A Company controlled by Mr Jeff Braysich held the lease at Level 7, 99 Macquarie Street, Sydney. Panorama Synergy Limited had been provided with a rolling month to month lease until May 2016 at market rates, which was terminated 18 October 2015.

There are no outstanding amounts payable to related parties at the end of the reporting period (2016 $nil).

(ii) Loans form related parties

On 27 April 2017, the Company entered into a loan facility agreement with a major shareholder. The facility limit is $1,500,000, it is unsecured and attracts a 2% interest rates on amounts drawn down.

As at 30 June 2017 no amounts have been drawn down on the loan facility.

There were no transactions between the parent and its subsidiaries or between subsidiaries during the financial year (2016 $nil).

Note 22: Financial Risk Management

Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, trade and other receivables, trade and other payables and interest-bearing liabilities. The Board of Directors is responsible for the monitoring and management of the financial risk exposures of the Company.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

Note 22: Financial Risk Management (continued)

	Consolidated Group	
	Company 2017 $	Group 2016 $
Financial Assets		
Cash and cash equivalents	913,049	3,639,027
Short term investments	51,225	50,000
Trade and other receivables	78,202	160,959
Available-for-sale financial assets at fair value	92,975	50,000
Total Financial Assets	**1,135,451**	**3,899,986**
Financial Liabilities		
Financial liabilities at amortised cost		
Trade and other payables	829,166	586,335
Total Financial Liabilities	**829,166**	**586,335**

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

a. Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions
- the Company has secured $1.5 million debt facility from a related part on favourable terms.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Note 22: Financial Risk Management (continued)

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial liabilities due for payment								
Trade and other payables	829,166	586,335	-	-	-	-	829,166	586,335
Total expected outflows	**829,166**	**586,335**	**-**	**-**	**-**	**-**	**829,166**	**586,335**

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial Assets - cash flows realisable								
Cash and cash equivalents	913,049	3,639,027	-	-	-	-	913,049	3,639,027
Short terms investments	51,225	50,000	-	-	-		51,225	50,000
Trade and other receivables	78,202	36,433	-	-	-	-	78,202	36,433
Available-for-sale financial assets at fair value	92,975						92,975	
Total anticipated inflows	**1,135,451**	**3,725,460**	**-**	**-**	**-**	**-**	**1,135,451**	**3,725,460**
Net (outflow) / inflow on financial instruments	**306,285**	**3,139,125**	**-**	**-**	**-**	**-**	**306,285**	**3,139,125**

b. Market Risk

i. Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash and short-term deposits. Since the Company does not have long-term debt obligations, the Company's exposure to this risk is nominal.

Sensitivity Analysis

The following table illustrates sensitivities to the Company’s exposures to changes in interest rates.

These sensitivities assume that the movement in particular variable is independent of other variables.

	Profit	Equity
	$	**$**
Year ended 30 June 2017	**+/-**	**+/-**
+/- 1% in interest rates	9,642	9,642
Year ended 30 June 2016		
+/- 1% in interest rates	36,390	36,390

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

Note 22: Financial Risk Management (continued)

Fair Values

Fair value estimation

Set out below is a comparison by category of carrying amounts and fair values of all the Company's financial instruments recognised in the financial statement.

		2017		2016	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Consolidated Group		$	$	$	$
Financial assets					
Cash and cash equivalents	(i)	913,049	913,049	3,639,027	3,639,027
Short terms investments	(i)	51,225	51,225	50,000	50,000
Trade and other receivables	(i)	78,202	78,202	80,480	80,480
Available-for-sale financial assets	(ii)	92,975	92,975	50,000	50,000
Total financial assets		**1,135,451**	**1,135,451**	**3,819,507**	**3,819,507**
Financial liabilities					
Trade and other payables	(i)	829,166	829,166	586,335	586,335
Total financial liabilities		**829,166**	**829,166**	**586,335**	**586,335**

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, Short term investments, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value.

(ii) Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

Note 23: Reserves

a. Option Reserve

The option reserve records items recognised as expenses on valuation of employee share options.

b. Analysis of Each Class of Reserves

	Company 2017	Consolidated Group 2016
Option Reserve	$	$
Balance at beginning of year	2,918,541	4,535,632
Share based payments	1,371,671	2,124,895
Removing prior year expired options	(2,542,000)	(2,943,600)
Options voluntarily cancelled	(474,869)	-
Cancelled options failing vesting conditions	(7,654)	(798,385)
Balance at end of year	**1,265,689**	**2,918,541**
Foreign Currency Translation Reserve		
Balance at beginning of year	-	1,485
Translation movement during the year	-	(1,485)
Balance at end of year	-	**-**
Total Reserves	**1,265,689**	**2,918,541**

Revaluation Reserve		
Revaluation Reserve		
Balance at beginning of year	-	-
Revaluation of available for sale financial assets during the year	42,975	-
Balance at end of year	**42,975**	**-**

Note 24:Fair Value Measurements

The Company measures and recognises the following assets at fair value on a recurring basis after initial recognition: — available-for-sale financial assets;

The Company does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows: Level 1, Level 2, or Level 3

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017 (CONTINUED)

Note 24: Fair Value Measurements (continued)

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

Note 24: Fair Value Measurements (continued)

30 June 17	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$**	**$**	**$**	**$**
Financial assets				
Available-for-sale financial assets				
Shares in listed companies - unrelated parties	92,975	-	-	92,975
Total financial assets recognised at fair	**92,975**	-	-	**92,975**

30 June 16	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements	**$**	**$**	**$**	**$**
Financial assets				
Available-for-sale financial assets				
— Shares in unlisted companies - unrelated parties	-	-	50,000	50,000
Total financial assets recognised at fair value	**-**	**-**	**50,000**	**50,000**

(b) Valuation techniques used to measure Level 1 fair values

Fair value methodology

On 6 June 2015, the Company participated in Quantify Technologies Pty Ltd's seed capital raising and acquired 1,250,000 shares and received 625,000 free attaching options in Quantify Technologies Pty Ltd for the acquisition price of $50,000. The options convert into one new fully paid ordinary share for each option exercised, with an exercise price of $0.075 and expiring 31 May 2017.

On 8 March 2017, Quantify Technologies listed on the Australian Securities Exchange via a reverse takeover of WHL Energy Limited. The Company received 1,273,625 Shares in the new listed entity in consideration for the 1,250,000 shares in the unlisted entity. As at 30 June 2017 the shares were trading at 7.3 cents per share.

(c) Reconciliation of recurring Level 1 fair value measurement

	Company	**Consolidated Group**
	2017	**2016**
	$	**$**
Balance at the beginning of the year	50,000	50,000
Fair value adjustment at balance date	42,975	-
Balance at the end of the year	**92,975**	**50,000**

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Panorama Synergy Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 24 to 50, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the company;

2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

3. the directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and person performing the function of Chief Financial Officer.

Mr Gavin Coote
Non-Executive Chairman
31 August 2017

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
To the Members of Panorama Synergy Limited

Opinion

We have audited the financial report of Panorama Synergy Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Going concern Refer to Note 1 in the financial statements	
We identified going concern as a Key Audit Matter due to Panorama's history of operating losses, the decreasing cash balance held at 30 June 2017 and the capabilities of the entity to cover the operating costs over the next 12 months. For the year ended 30 June 2017 Management have performed an assessment on the Company's ability to continue as a going concern. The following procedures were performed as part of this assessment: • Preparing cash flow projections up to December 2018; • undertaking a cost saving exercise in order reduce costs to a minimum level; and • Obtaining additional funding in the form of a $1.5m loan facility to be able to cover their operating costs over the next 12 months.	Our audit procedures in relation to going concern included: • We reviewed the current financial position of Panorama and assessed a number of key ratios; • We reviewed the current credit facility in place and assessed the financial viability of the provider; and • We reviewed managements forecasts for the expected results for the 12 months from the date of signing the financial statements, including assessing the accuracy and the assumptions used.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar2.pdf.
This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 17 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Panorama Synergy Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

Miano

R B MIANO
Partner

Dated: 31 August 2017
Melbourne, Victoria

ADDITIONAL SECURITIES EXCHANGE INFORMATION

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. The information provided is current as at 27 September 2017 (**Reporting Date**).

CORPORATE GOVERNANCE STATEMENT

The Company's Directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the *ASX Corporate Governance Principles and Recommendations (Third Edition)* (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations (**Corporate Governance Statement**).

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement will be available for review on the Company's website (www.panoramasynergy.com), and will be lodged together with an Appendix 4G with ASX at the same time that this Annual Report is lodged with ASX.

The Appendix 4G will particularise each Recommendation that needs to be reported against by the Company, and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on its website at www.panoramasynergy.com

SUBSTANTIAL HOLDERS

As at the Reporting Date, the names of the substantial holders of the Company and the number of equity securities in which those substantial holders and their associates have a relevant interest are as follows:

Holder of Equity Securities	Class of Equity Securities	Number of Equity Securities held	% of total issued securities capital in relevant class
John W King Nominees Pty Ltd*	Ordinary shares	139,991,524	27.66%
Flet Superannuation Pty Ltd*	Ordinary shares	42,865,501	8.47%

*Combined holdings

NUMBER OF HOLDERS

As at the Reporting Date, the number of holders in each class of equity securities:

Class of Equity Securities	Number of holders
Fully paid ordinary shares	3,207
Options exercisable at $0.70 each, vesting on 31 July 2017, expiring on 30 September 2017	7
Options exercisable at $0.20 each, vesting on 5 September 2017, expiring on 5 September 2018	10
Options exercisable at $0.40 each, vesting on 5 September 2018, expiring on 5 September 2019	10

VOTING RIGHTS OF EQUITY SECURITIES

The only class of equity securities on issue in the Company which carries voting rights is ordinary shares.

As at the Reporting Date, there were 3,207 holders of a total of 506,190,788 ordinary shares of the Company.

At a general meeting of The Company, every holder of ordinary shares present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each ordinary share held. On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each fully paid share held and in respect of each partly paid share, is entitled to a fraction of a vote equivalent to the proportion which the amount paid up (not credited) on that partly paid share bears to the total amounts paid and payable (excluding amounts credited) on that share. Amounts paid in advance of a call are ignored when calculating the proportion.

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

The distribution of holders of equity securities on issue in the Company as at the Reporting Date is as follows:

Distribution of ordinary shareholders

Holdings Ranges	Holders	Total Units	%
1 – 1,000	181	72,411	0.01
1,001 – 5,000	671	2,245,882	0.44
5,001 – 10,000	522	4,361,044	0.86
10,001 – 100,000	1,356	52,154,468	10.30
100,001 – 999,999,999	477	447,356,983	88.38
Totals	**3,207**	**506,190,788**	**100.00**

LESS THAN MARKETABLE PARCELS OF ORDINARY SHARES (UMP SHARES)

The number of holders of less than a marketable parcel of ordinary shares based on the closing market price at the Reporting Date is as follows:

Total Shares	UMP Shares	UMP Holders	% of issued shares held by UMP holders
506,190,788	2,607,805	905	0.52

TWENTY LARGEST SHAREHOLDERS

The Company only has one class of quoted securities, being ordinary shares. The names of the 20 largest holders of ordinary shares, and the number of ordinary shares and percentage of capital held by each holder is as follows:

Holder Name	Balance as at Reporting Date	%
John W King Nominees Pty Ltd	118,838,359	23.477
Flet Superannuation Pty Ltd <Walsh Superannuation A/C>	15,292,326	3.021
Flet Superannuation Pty Ltd <Walsh Superannuation Fund>	14,700,000	2.904
Flet Investments Pty Ltd <The Walsh Investments A/C>	12,688,698	2.507
Goetzke Super Company Pty Ltd <H & P Goetzke S/F A/C>	12,070,805	2.385
Storage & Warehousing Services Pty Ltd <Storage and WH SVS Unit A/C>	11,805,087	2.332
Bestrawl Pty Ltd <JB Family A/C>	10,500,000	2.074
Mr Julian Kenneth Thomas & Mrs Lianne Margaret Thomas <Unme Super Fund A/C>	9,734,582	1.923
BDKM Investments Pty Ltd	6,718,420	1.327
C M Cook Superannuation Pty Ltd <CM Cook Super Fund A/C>	6,514,285	1.287
E L G Nominees Pty Ltd <The Gude Family No 2 A/C>	6,127,865	1.287
P A Meagher Pty Ltd <P M Super Fund A/C>	5,500,000	1.087
TJE Super Pty Ltd <TJ Evans Super Fund A/C>	4,300,000	0.849
Langley Holdings Pty Ltd <Shardlow Property A/C>	4,254,172	0.840
Bestrawl Pty Ltd <JB Family Fund A/C>	3,960,000	0.782
Penhop Pty Ltd <R & H McDowell S/Fund A/C>	3,840,060	0.759
Mr Tudor John Evans	3,400,000	0.672
Carolyn Meagher Super Pty Ltd <Meagher S/F No 2 A/C>	3,168,816	0.626
P A Meagher Pty Ltd <P A Meagher Pty Ltd S/F A/C>	3,096,835	0.612
Performin Pty Limited	2,929,677	0.579
Total number of shares of Top 20 Holders	**259,439,987**	**51.253**
Total Remaining Holders Balance	**246,750,801**	**48.747**

COMPANY SECRETARY

The Company's secretary is Ms Alyn Tai.

REGISTERED OFFICE

The address and telephone number of the Company's registered office is:

Level 1, 61 Spring Street
Melbourne VIC 3000

Telephone: +61 (0)3 9286 7500

SHARE REGISTRY

The address and telephone number of the Company's share registry, Link Market Services Limited, are:

Tower 4, Collins Square
727 Collins Street
Melbourne VIC 3008

Telephone: +61 3 9067 2005

STOCK EXCHANGE LISTING

The Company's ordinary shares are quoted on the Australian Securities Exchange (**ASX**) (ASX issuer code: PSY).

ESCROW

There are no securities on issue in the Company that are restricted or subject to voluntary escrow.

UNQUOTED EQUITY SECURITIES

The number of each class of unquoted equity securities on issue, and the number of holders in each such class, are as follows:

Class of Equity Securities	Number of unquoted Equity Securities	Number of holders
Options exercisable at $0.70 each, vesting on 31 July 2017, expiring on 30 September 2017	5,000,000	7
Options exercisable at $0.20 each, vesting on 5 September 2017, expiring on 5 September 2018	16,175,000	10
Options exercisable at $0.40 each, vesting on 5 September 2018, expiring on 5 September 2019	6,175,000	10

No persons hold 20% or more of the equity securities in any unquoted class that were not issued or acquired under an employee incentive scheme.

OTHER INFORMATION

The Company is not currently conducting an on-market buy-back.

There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act which have not yet been completed.

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

PANORAMA
SYNERGY