

JUNE 2017 QUARTERLY CASH FLOW REPORT

Panorama Synergy Limited (ASX: **PSY**) (**Panorama** or the **Company**) attaches its quarterly cash flow report for the period ended 30 June 2017 (the **Quarter**).

Commentary on Quarter and Outlook

The Company confirms that as at 30 June 2017 it held a cash balance of \$913,000. The Company maintains the \$1.5M loan facility noted in the May Cash Flow report which it has not had to draw on to date. The Company's cashflow for the Quarter reflects decreases in expenditure associated with staff, administration and corporate overheads due to ongoing cost reduction measures undertaken by the Company over the first half of this calendar year. The Company continues to review and rationalise direct and operational expenses to balance the support of our research and development (**R&D**) activities and to accelerate the commercialisation of the Company's Intellectual Property portfolio.

Highlights

The Company's cash flow report for the Quarter reflects its continuing investment in ongoing R&D activities relating to its second and third prototype spectrometers. R&D activities continue to progress in line with expectations, and the Company is pleased to provide the following update:

- **Spectrometry:** The Company has demonstrated an operational second prototype in the laboratory and has validated its performance with that of a high-performance, commercially available spectrometer. A series of functional prototypes are being built for demonstration in-the-field to key potential customers starting in the September Quarter. A third, more sensitive prototype version is currently under development with completion expected in the September Quarter, and with customer demonstrations to be held thereafter.
- **LumiMEMS:** The Company continues its development of the LumiMEMS technology platform, concurrently exploring potential joint development opportunities.
- **Feasibility study for the detection of insecticide levels in aircraft:** The Company confirmed that its Micro-Electro-Mechanical Systems (**MEMS**) technology can be used to measure the presence and concentration of insecticide residue in aircraft. The Company submitted a next-stage competitive government grant proposal for \$1M to develop a prototype device for use in commercial aircraft, with the successful applicants to be announced in the September Quarter.
- **Leadership:** Peter Lewis commenced as CEO in May and since that time he has been actively developing new business opportunities for the Company in a number of the high value market sectors. Mr Lewis attended a major Spectroscopy conference in Denmark in June where he spoke with many international organisations who expressed interest in the Company's technology and capabilities.
- **Strategic Initiatives:** The Company has embarked on a number of strategic activities to secure new revenue sources including from high potential market verticals including Agriculture, Defence and others, as well as continuing to identify and pursue options for acquisitive growth.
- **In Summary:** The pace of R&D outcomes combined with the volume of potential business and growth opportunities being developed, holds the Company in good stead for future growth.

– ENDS

Contact Information

Panorama Synergy Limited

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

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

Name of entity

Panorama Synergy Limited

ABN

84 060 369 048

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(227)	(1,430)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	(41)
(d) leased assets	-	-
(e) staff costs	(150)	(838)
(f) administration and corporate costs	(302)	(1,249)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	771
1.8 Other (provide details if material)	-	-
- Prepaid deposits refunded	-	8
1.9 Net cash from / (used in) operating activities	(678)	(2,765)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(11)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – deposits paid	-	-
2.6 Net cash from / (used in) investing activities	(3)	(11)

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

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,594	3,689
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(678)	(2,765)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3)	(11)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	913	913

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	913	1,594
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	913	1,594

6. Payments to directors of the entity and their associates

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

Current quarter \$A'000

69

-

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

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

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

Current quarter \$A'000

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N/a

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,500	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The \$1.5m loan facility was provided by John W King Nominees Pty Ltd, it is unsecured and has an interest rate of 2%.

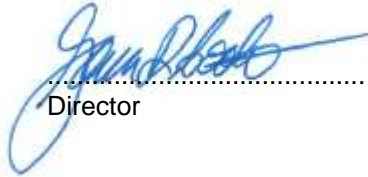
9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	475
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	140
9.6 Administration and corporate costs	215
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	830

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

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

Sign here:


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Director

Date: 27 July 2017

Print name: Gavin Coote

Notes

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