

ASX Announcement 21 March 2017

RECEIPT OF COMMONWEALTH GRANT FOR MEMS FEASIBILITY STUDY

Highlights:

- Commonwealth Government grant to conduct a feasibility study for innovative MEMS technology.
- Study to examine whether PSY's proposed technology can detect insecticide levels in aircraft to ensure compliance with requirements.
- Follows a proposal the Department of Agriculture and Water Resources for alternatives to the existing technology to ensure that insecticide residues meet World Health Organisation guidelines.
- If successful, Panorama will become eligible to apply for a grant to develop a prototype of the technology.
- Significant market potential for Panorama's technology with broad applications beyond the use on inbound aircraft, such as the detection of insecticide levels on fresh fruit and vegetables

Panorama Synergy Limited (ASX: **PSY**) (**Panorama** or the **Company**), a leading-edge company in the MEMS sensor industry developing a portfolio of advanced MEMS and spectroscopy technologies, is pleased to announce it has received a Commonwealth Government grant to conduct a feasibility study for the Company's innovative MEMS technology.

The study will examine whether PSY's proposed technology can detect insecticide levels on the interior of aircraft with the aim of ensuring that incoming aircraft are complying with disinfection requirements.

This follows a proposal from the key biosecurity department, the Department of Agriculture and Water Resources (DAWR) for alternatives to the existing technology used for detection. The aim is to ensure that insecticide residues on interior aircraft surfaces on all aircraft arriving at Australian airports from overseas meet World Health Organisation (WHO) guidelines and are high enough to kill mosquitoes and other insects. The overall aim is to prevent disease vectoring mosquitoes and other insects from entering Australia.

The DAWR is looking for technology that would deliver on-the-spot results, could be used by its inspection staff and would allow quantitative measurement of residue levels that can rapidly and accurately determine compliance with minimum residue requirements.

Five SMEs (including PSY) have been awarded grants to conduct feasibility studies into the potential solution.

If the outcome of the feasibility study is positive, Panorama will become eligible to apply for a proof-of-concept phase grant to develop a prototype of the technology.

If successful, there would be significant market potential for Panorama's technology with broad applications beyond the use on inbound aircraft.



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For instance, the monitoring of fresh fruit and vegetables for pesticide residue, to ensure they meet strict food safety requirements is a key challenge for Australian importers and exporters and quarantine authorities.

Imports and exports of fresh produce into Australia continue to rise with the value of imports increasing by 13.6% in 2015-16 to \$16.8 billion¹.

All these foods that are sold in Australia must comply with the strict Food Standards Code, which defines the maximum residue limits permitted in foods. The development of a technology that has the ability to rapidly detect pesticide levels on imported and exported foods could be a potential game-changer for the industry by delivering on-the-spot results that can rapidly and accurately determine compliance with minimum residue requirements.

The feasibility study commenced on 13 March and is expected to finish in early June. Panorama will provide a feasibility report to the Government by June 30, 2017.

"This grant provides a welcome opportunity to develop a solution for a real problem. If successful, our technology can be adopted for a range of situations such as monitoring of pesticide levels on food and evaluating whether insecticides have been correctly applied in potential mosquito breeding environments (in tropical countries)," said Panorama Synergy Managing Director, Terry Walsh.

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About Panorama Synergy

Panorama Synergy is a technology company focused on the commercial and technological advancement of its LumiMEMSTM optical readout system and the optical micro-spectrometer technology.

These unique technologies have been pioneered by the Microelectronics Research Group (MRG) team at the University of Western Australia (UWA). MRG took the far-sighted decision to be a global Centre of Excellence in MEMS over a decade ago, creating the opportunity for these breakthroughs. UWA and Panorama Synergy have been partnering in research activities over for much of this time.

Website: www.panoramasynergy.com

About MEMS

Micro Electro Mechanical Systems (MEMS) are very small devices that move in response to a variety of chemical, biological and optical signals. MEMS are highly sensitive machines able to detect and measure chemical and biologic substances, movement and acceleration, gravity, diseases, explosives, food quality and authentication, mineral assessments and a wide range of other applications. Their small size allows them to be robust, draw little power, be lightweight and able to be incorporated into devices such as smart phones and numerous other devices. The Sensor industry, itself a subset of the Internet of Things market, is currently in excess of an \$86 billion market with significant growth rates. Products under development are based on various detection methods, including micro spectroscopy.

¹ http://www.afgc.org.au/wp-content/uploads/AFGC_State-of-the-Industry-2016.pdf