

ASX Code: PSY

30 April 2015

Panorama Synergy Update & Appendix 4C

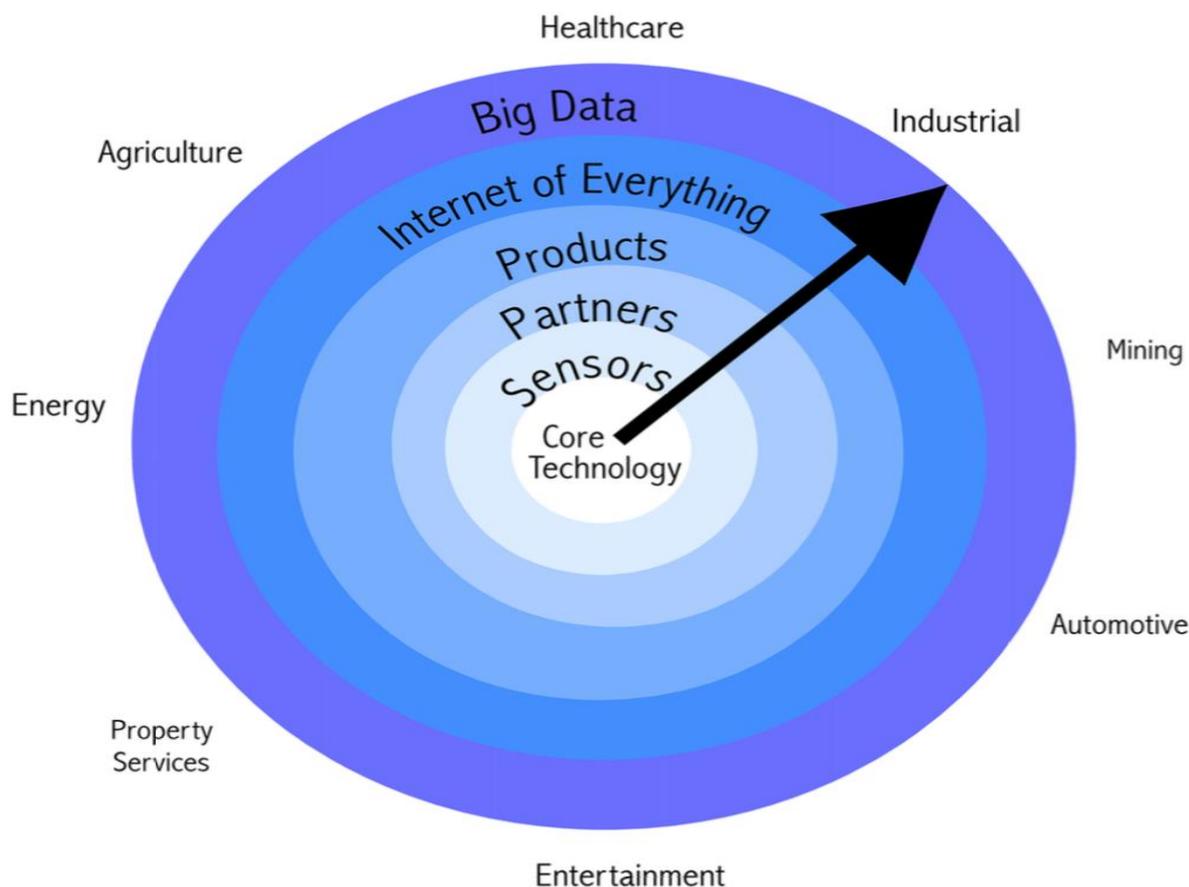
March '15 Quarter Highlights:

- Panorama secures assignment of patents from The University of Western Australia
- Enters into collaborative development agreement with Enerji Ltd
- Named as Finalist in the Global AMA Association for Sensor Technology and Measurement Innovation Awards
- Strong financial position with approximately \$6 million cash as at 30 March 2015

Panorama Synergy Limited [ASX: PSY] ("Panorama" or the "Company") made considerable progress during the three month period ending 30 March 2015. This quarter has been a very busy one, progressing our multiple initiatives towards continued product development, marketing, sales and distribution.

In order to explain this overall approach so that our various updates and announcements can be read in context, we have produced a graphical representation of our business.

Moving up the Value Chain



The diagram is a representation of how the company will continue to move up the value chain. In our industry, like most industries, everything commoditises over time, so it is important to stay ahead of that commoditisation curve through development and technological advancements, as well as adding new technologies into the core that are complementary and/or expansive to what is already there.

Core Technology

Initially our core technology is the LumiMEMS™ Optical Readout System, which is the core technology of our Sensors.

Sensors

In many cases, the distinction is a fine one, however, it is worth noting that the optical readout system can either be in a sensor made by Panorama Synergy or incorporated in the design of another manufacturer's sensor by being sold under licence.

Partner

The Partner layer reflects multiple types of Partners that comprise a successful business model. These will include, for example, manufacturing partners, including Foundries who make MEMS devices and photonic components, through to outsourced manufacturing partners in the case where Panorama Synergy makes it's own product; and sales and distribution partners who are sales channels to various markets. The extent to which we engage with all of these is determined by the particular market we are addressing.

Products

The next layer simply called "Products" represents that these sensors are sometimes the finished product, but frequently are a component of a product. In different markets, Panorama may choose to make the finished product, or alternatively supply a sensor to someone whose product is well established in a market, but whose product performance can be enhanced by the inclusion of a PANORAMA sensor or other related technology.

The Internet of Everything

One of the major trends occurring in the world today is the evolution of the Internet of Things, also known as the Internet of Everything and various other terms.

This concept in summary is a world where the internet is not just used for person to person communication, or person to machine (e.g. computer), but machine to machine communication.

This is not a far distant dream. Cisco Systems estimates there will be 25 billion devices connected to the internet by the end of this year! Further, they estimate there will be 50 billion devices connected by the end of 2020.

In May of 2013, McKinsey Global Institute stated;

"We estimate the potential economic impact of the Internet of Things to be \$2.7 trillion to \$6.2 trillion per year by 2025 through use in a half-dozen major applications that we have sized.

The largest impacts among sized applications would be in health care and manufacturing. Across the health-care applications we analyzed, Internet of Things technology could have an economic impact of \$1.1 trillion to \$2.5 trillion per year by 2025."

However, most devices in the world do not have a communication capability to connect them to the internet and then provide relevant information, whether it be the health of a home appliance or the projected life of a large scale industrial machine.

This is where Panorama Sensors come in. Due to the thousands of chemicals, gases and biological agents these sensors can detect, they provide the intelligence that the device could not do on its own.

The coming Internet of Things should open up substantial new opportunities and markets for Panorama Synergy.

Of the predicted 50 billion devices, most of them would have the potential for multiple sensors and it is Panorama's goal to enjoy a healthy market share in this space.

The superior performance of our sensors, based on the Optical Readout System, is a solid platform for one aspect of our growth. The Optical Readout System provides a more accurate, robust device than is currently available in the market today. It represents the change from electrical based to optical based systems in small form factor sensors.

Big Data

The consequence of all of these sensors collecting and communicating large amounts of information, leads to what is known as Big Data. Being able to not just collect the readings, but interpret the results and therefore be able to accurately interpret environmental changes, is how real value is extracted from the Big Data.

When we talk about the "environment" that could be defined as your home, your place of work, your city, your body, your car, your refrigerator or the world. The possibilities are endless.

Solutions for Industry

The outside of the circle is simply a sample of vertical industries that this will be applied to. It is not an exhaustive list by any means.

So how will Panorama attack such a massive opportunity?

Defining Our Value

It is not a practical strategy to simultaneously enter all of these markets implementing all the various marketing strategies described. We are clear on where our value sits, where we can move higher up the value chain, and where, on the other hand, licencing to a company who is well established in the market might makes sense.

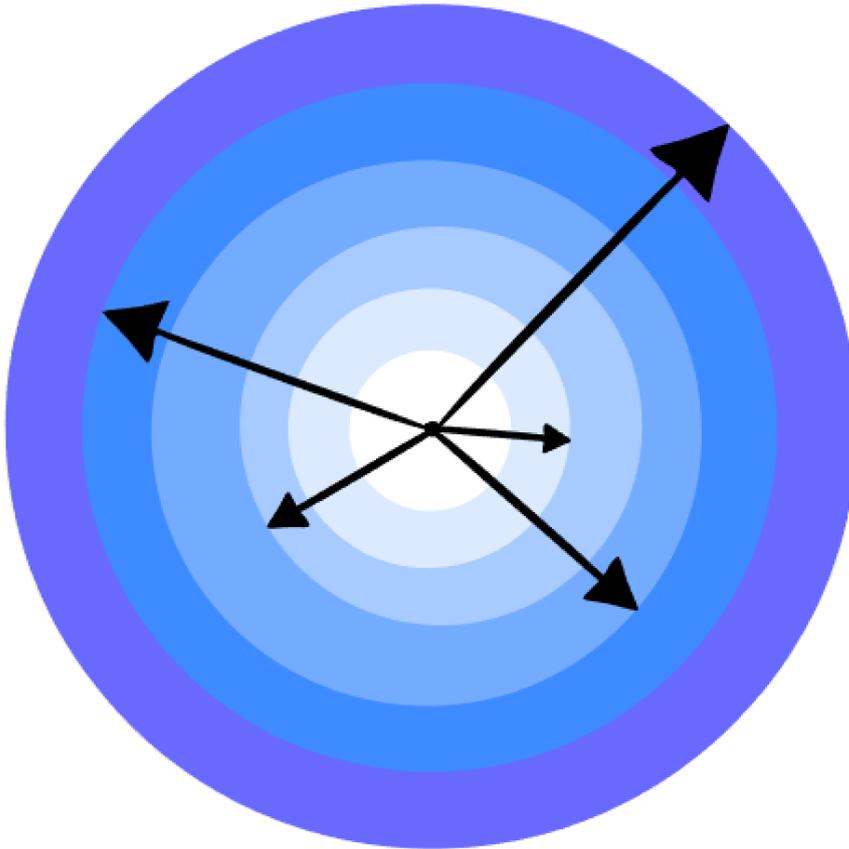
You will see us enter into deals with companies that are starting from a small base but have the potential to be very large customers, as a way of establishing credibility a learning from the implementations. Naturally discussions with larger, international companies have longer lead times. The real value of our technology will be unlocked in these large scale deployments.

For example, if we supplied sensors for use inside mobile phones, it would be obvious that we would talk to an Apple, Samsung, or Sony for example, rather than build our own phone.

On the other hand, a relatively simple device that has high value to a consumer, one that may give advance warning to people who are at risk from medical conditions such as Asthma, Diabetes, Anaphylaxis (nut allergy), then conceivably we could make the entire device ourselves and capture a much higher margin. These are all hypothetical examples, not announcements on product direction.

This approach is diagrammatically illustrated below. We have removed all headings so as to not imply specific strategies for specific markets unintentionally.

Blended Go To Market Strategies



Activities Undertaken and Continued during the Quarter (and prior to this report)

Collaborative development agreement with Enerji Ltd

During the quarter the company announced a deal with Enerji Ltd for the development of MEMS-based toluene sensors for high temperature Organic Rankine Cycle [ORC] systems. Enerji is a company whose products harness waste heat from power generation and industrial processes to generate electricity. The collaboration will involve the development of a toluene monitoring system using Panorama Synergy's LumiMEMS™ technology.

University of New South Wales + Research Connections

Research Connections is part of the Entrepreneurs' Infrastructure Programme. It aims to help small and medium businesses to become more competitive by working with the research sector to develop new ideas with commercial potential, as well as to help identify any knowledge gaps that are preventing business growth. As part of the successful grant application, Research Connections will contribute \$50,000 to the project.

The project is titled “Development of MEMS based Hydrogen Detector using LumiMEMS™”, and provides an entrée to informing external stakeholders about how our sensing platform can be extended to other field of use such as hydrogen detectors for fuel cells and electrical transformers.

A further announcement with details of this programme will be announced shortly.

Planet Innovation – Transformer Market Analysis

Panorama has asked Planet Innovation to assist with business modelling to determine viability and strategic price points in some key domestic and international markets. This modelling will factor in inputs from a range of stakeholders in the power industry, including transformer manufacturers, installers, field service engineers, and the power utilities.

As part of this process, Planet Innovation and Dr Jason Chaffey will attend TechCon in May 2015. TechCon® Asia Pacific is a forum for the discussion of technology development and solutions which provide improvement in key high voltage asset management strategies. All key players in the Australian market will be present as well as a number of key opinion leaders in the field.

Canadian Microelectronics Corporation & Innovative Microsystems Technology

Canadian Microelectronics Corporation (“CMC”) based in Kingston Canada, provides access to world-class tools, technologies, expertise and industrial capabilities for designing, prototyping and manufacturing innovations in microsystems and nanotechnologies, particularly in the field of photonics (technology required to get the optical signal in and out of our chip).

Innovative Microsystems Technology (“IMT”) based in Santa Barbara USA, provides prototyping, early stage and mass production facilities and services for MEMS companies who do not do their own manufacturing..

Panorama Synergy is utilising both of these companies, to fabricate our early devices. CMC will fabricate the photonic wafer, after it will be shipped to IMT, who will then fabricate the cantilevers on top of the photonic wafers. IMT will also apply the platinum layer to make the devices sensitive to hydrogen. This is expected to produce devices in the next quarter.

Sensor + Test

Dr Gino Putrino and Dr Jason Chaffey will attend the Sensor+Test conference in Germany.

We have been selected as a finalist the Innovation Award at the Sensor+Test industry conference.

We will be giving a brief presentation and taking the opportunity to keep abreast of the trends and opportunities of the sensor market and explore further partner and co-development opportunities.

This conference helps us to explore drivers of customer purchases for sensors and to identify potential uses of LumiMEMS in existing and new products.

Patent Assignment Agreement with The University of Western Australia

This commercial milestone provides security and certainty to all stakeholders

Panorama Synergy Ltd has received the patent assignments from The University of Western Australia for the LumiMEMS optical detection and cantilever sensing technology and thus obtained title to our core intellectual technology

Previously, Panorama Synergy has had an exclusive worldwide license for the technology from The University of Western Australia [“UWA”] and our rights were protected under an agreement with The University of Western Australia. This has been satisfactory during our early technology commercialisation phase.

Through the agreement made during the quarter, the patents previously licensed through The University of Western Australia have become intellectual property assigned to Panorama Synergy.

This arrangement has come about due to the close partnership that Panorama Synergy has forged with The University of Western Australia and this commercial milestone provides security and certainty to all stakeholders.

The ongoing rights due to The University of Western Australia are maintained and protected by Panorama Synergy.

Financial Update

The Company remains well funded with approximately \$6 million cash as at 30 March 2015.

Frequently Asked Questions

During the quarter we have received various questions from investors and shareholders. We enclose some of the more frequently asked questions and provide some responses.

Why are ASX announcements not more frequent?

The Company in its own right and with the assistance of The University of Western Australia and other research institutions is constantly developing, enhancing and importantly testing advancements in our technologies. This work is difficult and at varying times has failures.

As such, “breakthroughs” that are material for the Company come as the science progresses. Many steps in the scientific process are important but do not justify an ASX Announcement. Leading edge technology development comes with no handbook or reference manual, success is a consequence of intellectual collaborative theory, design and testing.

Why can't Panorama name who they are in discussions with?

Panorama is constantly being sought and seeking out various potential joint ventures, collaborative developers, and future clients. In many cases, the work that we wish to do with these entities is based around the solving of a potential issue, problem or market advantage that they seek.

It is therefore not surprising that they wish this work to remain as commercial in confidence for as long as possible. The Company consistently reviews our position with these entities and wherever and whenever it becomes necessary then we will make the appropriate announcements. The Company is conscious to balance the interests of the shareholders with the need for confidentiality with the entities.

Is the Company talking to larger Companies?

Yes, the Company is in discussions with various “larger” companies in many different facets of our commercialisation strategy. By their very nature, larger companies are slower to action and document the relationship. It often requires numerous departments and in some cases numerous country divisions to converge their individual requirements to a common required outcome.

Does The University of Western Australia still earn from the MEMS patents?

Yes, there is no change to the financial outcome to be received by Panorama and the University of Western Australia. What has changed is that the title now resides with the Company. This was important to the Company in its negotiations with potential clients, fabricators and prospective co-developers.

This change of title provides comfort to investors and customers around the future of developed products.

Can the University of Western Australia take back the title to the patents?

In the extreme circumstance of the company not wishing to continue in the development of the technology, or if the company was to not exist, the patents revert to the university. Other than that, the patent titles remain with Panorama

About Panorama Synergy

Panorama Synergy is a Perth-based technology company focused on the commercial and technological advancement of its optical readout system for MEMS, the LumiMEMS™ Reader.

This unique technology has been developed by the Microelectronics Research Group (MRG) team at UWA, in partnership with Panorama Synergy. MRG took the far sighted decision to be a global Centre of Excellence in MEMS over a decade ago, creating the opportunity for this breakthrough. UWA and Panorama Synergy have been partnering for much of this time.

Panorama Synergy's Board includes Aidan Montague, Chairman, whose background includes senior roles with Cisco Systems in Europe, South Africa and Asia; Terry Walsh, Managing Director, formerly MD for Cisco Australia and New Zealand, and then CEO of Cisco Canada; and Dr Jason Chaffey, formerly Managing Director of Bluechiip, a MEMS manufacturer based in Australia.

Website: www.panoramasynergy.com.au

About MEMS

MicroElectroMechanical Systems (MEMS) are microscopic, highly sensitive systems able to detect and measure chemical and biologic substances, movement and acceleration, gravity and a wide range of other applications. They represent a \$14 billion to \$20 billion industry with significant growth rates. All devices which incorporate MEMS sensors require a readout system to assess and communicate the data that is measured. The LumiMEMS™ sensor is the next evolution of that readout system, as it takes MEMS readouts from primarily being electrically based, into the world of optical. **MEMS Flipboard:** <https://flipboard.com/section/mems-bQUuFm>

For further information contact:

<p>Panorama Synergy Terry Walsh, Managing Director Dr Jason Chaffey, Director of Manufacturing and Commercialisation Tel: +61 2 8226 3377</p>

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

PANORAMA SYNERGY LTD

ABN

84 060 369 048

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for (a) staff costs	(417)	(489)
(b) advertising and marketing	-	-
(c) research and development	(68)	(304)
(d) leased assets	-	-
(e) other working capital	(438)	(1,266)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	111	127
1.5 Interest and other costs of finance paid	-	(37)
1.6 Income taxes paid	-	-
1.7 Other – R&D Grant received	-	-
Net operating cash flows	(812)	(1,969)

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8	(812)	(1,969)
Cash flows related to investing activities		
1.9	Payment for acquisition of:	
	-	-
	-	-
	-	-
	(6)	(15)
	-	-
1.10	Proceeds from disposal of:	
	-	-
	-	-
	-	-
	-	-
1.11	-	-
1.12	-	-
1.13	-	-
	(6)	(15)
1.14	(818)	(1,984)
Cash flows related to financing activities		
1.15	-	7,043
1.16	-	-
1.17	-	-
1.18	-	-
1.19	-	-
1.20	-	-
	-	(349)
	-	6,694
	(818)	4,710
1.21	6,763	1,235
1.22	-	-
1.23	5,945	5,945

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	581
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Consultancy fees to directors \$76,000 Salaries, Superannuation & one off performance Bonuses paid to directors \$474,879. These bonuses were brought to account in the 31 December 2014 accounts. There are no other Director bonuses.

The Company acquired it's own credit card for operating costs midway through the quarter, from time to time directors will also pay appropriate expenses and be reimbursed.

Reimbursement of directors' travel expenses, outgoings, out of pocket expenses and other accrued expenses \$29,824.

Significant Research and Development costs are also embedded within other expenditure items including Working Capital and Staff costs. The Company is and intends to employ significant research staff and while these will show up in staff costs they are Research and Development based.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Reconciliation of cash

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 30 April 2015

(Company secretary)

Print name: Anthony Karam

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.