



ASX / Media Release

Chairman's Address to Extraordinary General Meeting of Shareholders

Fremont, California and Sydney, Australia; 14 September 2021 — Pivotal Systems Corporation ("Pivotal" or the "Company") (ASX: PVS), a leading provider of innovative gas flow control (GFC) solutions to the semiconductor industry, today will be holding its virtual Extraordinary General Meeting of Shareholders at 9:00 am (AEST) today (4:00 pm, Monday, 13 September 2021 PDT). Investors wishing to join the virtual meeting can do so by following this link: <https://agmlive.link/PVSEG21>.

A copy of the Chairman's address to the 2021 Extraordinary General Meeting of Shareholders is attached to this release.

THIS RELEASE DATED 14 SEPTEMBER 2021 HAS BEEN AUTHORISED FOR LODGEMENT TO ASX BY THE BOARD OF DIRECTORS OF PIVOTAL SYSTEMS.

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If investors wish to subscribe to Pivotal Systems' email alert service for ASX Announcements, please follow this [link](#).

Safe Harbor Statement

This press release and the accompanying presentation contains forward-looking statements, which address a variety of subjects including, for example, our statements regarding expected growth rates, expected product offerings, product development, marketing position and technical advances. Statements that are not historical facts, including statements about our beliefs, plans and expectations, are forward-looking statements. Such statements are based on our current expectations and information currently available to management and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. The Company's management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly

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update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience and our present expectations or projections.

About Pivotal Systems Corporation (ASX: PVS)

Pivotal Systems Corporation (ARBN 626 346 325), is a company incorporated in Delaware, USA, whose stockholders have limited liability. Pivotal Systems provides the best-in-class gas flow monitoring and control technology platform for the global semiconductor industry. The Company's proprietary hardware and software utilizes advanced machine learning to enable preventative diagnostic capability resulting in an order of magnitude increase in fab productivity and capital efficiency for existing and future technology nodes. For more information on Pivotal Systems Corporation, visit <https://www.pivotalsys.com/>.

Notice to U.S. persons: restriction on purchasing CDIs

Pivotal Systems is incorporated in the State of Delaware and its securities have not been registered under the U.S. Securities Act of 1933 or the laws of any state or other jurisdiction in the United States. Trading of Pivotal Systems' CHES Depository Interests ("CDIs") on the Australian Securities Exchange is not subject to the registration requirements of the U.S. Securities Act in reliance on Regulation S under the U.S. Securities Act and a related 'no action' letter issued by the U.S. Securities and Exchange Commission to the ASX in 2000. As a result, the CDIs are "restricted securities" (as defined in Rule 144 under the U.S. Securities Act) and may not be sold or otherwise transferred except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. For instance, U.S. persons who are qualified institutional buyers ("QIBs", as defined in Rule 144A under the U.S. Securities Act) may purchase CDIs in reliance on the exemption from registration provided by Rule 144A. To enforce the transfer restrictions, the CDIs bear a FOR Financial Product designation on the ASX. This designation restricts CDIs from being purchased by U.S. persons except those who are QIBs. In addition, hedging transactions with regard to the CDIs may only be conducted in compliance with the U.S. Securities Act.



Chairman's Address to the Extraordinary General Meeting of Shareholders

Fremont, California - 13 September 2021 & Sydney, Australia - 14 September, 2021

Good morning ladies and gentlemen.

Today's Extraordinary General Meeting of Shareholders has been convened to seek shareholder approval to ratify the prior issue of 6,177,809 Chess Depository Interests or CDIs under the share Placement undertaken in July 2021 for the purposes of Listing Rule 7.4. In addition at today's meeting the Company seeks shareholder approval for the purposes of Listing Rule 10.11 to approve the issue of 959,986 CDIs to Anzu Industrial Fund One Annex, LP at \$1.27 per CDI reflecting their participation in Pivotal's institutional placement as above.

On 22 July 2021 Pivotal announced that it had received binding commitments for a US\$6.7 million share placement (A\$9.1 million) to new and existing institutional investors, including cornerstone commitments from the Company's largest Australian institutional investor Viburnum Funds along with participation of the Company's second largest shareholder in the US, Anzu Partners, LLC, which as mentioned is subject to shareholder approval at today's Extraordinary General Meeting of Shareholders.

The funds raised under the placement will be utilised to fund working capital increases in inventory and to accelerate business development initiatives, reflecting an increase in demand for Pivotal's products and engineering services from the Company's key blue-chip, global OEM and IDM customers in 2021 and into 2022. With funds raised under the placement, and subject to shareholder approval being obtained at today's Extraordinary General Meeting of Shareholders for Anzu's participation in the placement, the Company's total cash will increase to approximately US\$12.2 million, when considered in conjunction with the additional US\$3 million RBI preference stock issue in early June 2021 and existing cash on hand as at 30 June 2021.

The overall wafer fabrication equipment (WFE) market, encompassing the bulk of Pivotal's original equipment manufacturer (OEM) customers, is forecast to show 30% growth in 2021 to US\$84 billion with an additional 11% growth in 2022 to US\$93 billion.¹ The growth in equipment sales provides Pivotal with a solid foundation of sales leverage into this market with Pivotal now qualified at the top three equipment companies globally for etch and deposition.

For the 1H 2021, Pivotal recorded revenue for the period of US\$13.6 million, an increase of 34.8% from 1H 2020, which reflected continued strong demand for Pivotal's products and services from semiconductor original equipment manufacturers (OEMs) and Integrated Device Manufacturers (IDMs). Pivotal's Gross Profit of US\$2.9 million in 1H 2021 was up very significantly versus the US\$0.1 million recorded in 1H 2020 and our EBITDA loss improved 88% to a loss of just US\$0.3 million. The Company's reported net loss after tax of US\$1.4 million was an improvement of 72% on the pcp.

Our backlog (confirmed orders not yet shipped) stood at US\$3.9 million at 30 June 2021. From an operational perspective, we received a further progress payment of USD\$180K for advanced ALD (atomic layer deposition) GFC milestone achievement under the Development Agreement signed with a leading Japanese OEM in Q1 2021, while our GFC for etch applications continued its qualification with a leading Japanese OEM.

¹ Source: SEMI world Fab forecast June 2021



As we noted with our release of the first half results for FY 2021, the impact of recent COVID-19 restrictions in Malaysia and China are causing increased uncertainty for Pivotal's printed circuit board (PCB) and electronic component supply chain partners. As a result, while Pivotal's Q3 revenue projections remain on track, the impact on Q4 revenue (and therefore full year revenue) remains uncertain. Pivotal will continue to provide updates to the market as it obtains further insights.

In 2021 and beyond, Pivotal's continued innovation within the GFC market, with leading-edge product development and partnerships with major equipment manufacturers for the next generation equipment tools required to meet expected future requirements is progressing well, while we continue our business development initiatives in new verticals, including clean energy/batteries with South 8 Technologies and within the Healthcare/Life Sciences sector.

Thank you.

John Hoffman
Chairman & CEO

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