



ASX / Media Release

Pivotal Systems to launch equity raising to raise A\$14.8 million (US\$10.5 million¹)

Fremont, California and Sydney, Australia; 3 February 2022 – Pivotal Systems Corporation (“Pivotal” or the “Company”) (ASX: PVS), a leading provider of innovative gas flow control (GFC) solutions to the semiconductor industry, is pleased to announce it is undertaking an accelerated non-renounceable pro-rata entitlement offer to raise gross proceeds of approximately A\$14.8 million (US\$10.5 million¹).

Key Highlights

- Accelerated non-renounceable pro-rata entitlement offer to raise gross proceeds of approximately A\$14.8 million (US\$10.5 million¹)
- New CDIs to be issued at A\$0.49 (US\$0.35¹) per CDI, representing an 25.2% discount to the last closing price of A\$0.66, a 31.6% discount to the 5-day VWAP² and a 21.4% discount to TERP³
- The offer will comprise an accelerated Institutional Entitlement Offer and a Retail Entitlement Offer to eligible shareholders
- Proceeds from the equity raising will be used to accelerate Pivotal’s growth initiatives, provide incremental working capital for general corporate purposes and cover the costs of the offer
- Major shareholders Anzu Partners, and Viburnum Funds have committed to take up their full pro-rata entitlement of A\$4.4 million (US\$3.2 million¹). The balance of A\$10.4 million (US\$7.4 million¹) is underwritten by MA Moelis and will be sub-underwritten by existing investors including Anzu Partners and Viburnum Funds

Equity Raising

Pivotal Systems is offering 30,315,464 CDIs to raise gross proceeds of approximately A\$14.8 million (US\$10.5 million¹) via a 1 for 4.24 accelerated non-renounceable entitlement offer to eligible existing security holders (“Entitlement Offer” or the “Offer”). The Offer will be conducted at an issue price of A\$0.49 (US\$0.35¹) (“Offer Price”) per new fully paid CDIs over Pivotal shares (“New Securities”).

The Offer Price represents:

- A 25.2% discount to the last closing price of Pivotal’s CDI’s on 31 January 2022 (being A\$0.66);
- A 31.6% discount to the 5-day VWAP² up to 31 January 2022 (being A\$0.72); and
- A 21.4% discount to the theoretical ex-rights price (TERP)³ of A\$0.62 per CDI

¹ An exchange rate of AUD 1:USD 0.71 is used throughout this announcement.

² The Volume Weighted Average Price (“VWAP”) for the period of five trading days ending on 31 January 2022 (being A\$0.72).

³ The theoretical ex rights price (“TERP”) is the theoretical price at which PVS shares should trade at immediately after the ex-date for the Entitlement Offer. It is a theoretical calculation only and the actual price at which PVS shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to PVS’s closing price of A\$0.66 on 31 January 2022

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The proceeds of the Offer will be used to accelerate Pivotal's growth initiatives, provide incremental working capital for general corporate purposes and cover the costs of the offer. For further information regarding the Offer and Pivotal's growth strategies, refer to the investor presentation accompanying this announcement.

MA Moelis Australia Advisory Pty Limited has been appointed as Sole Lead Manager and Underwriter in respect to the Offer ("Lead Manager").

Major shareholders, Anzu Partners, and Viburnum Funds have committed to take up their full pro-rata entitlement of A\$4.4 million (US\$3.2 million¹). The balance of A\$10.4 million (US\$7.4 million¹) is underwritten by MA Moelis and will be sub-underwritten by existing investors including Anzu Partners and Viburnum Funds, who have entered into agreements to sub-underwrite any shortfall arising from both the Institutional and Retail Entitlement Offer, in addition to taking up their full pro-rata entitlement in the Entitlement Offer.

Anzu presently has a relevant interest of 13.8% in the Company, with David Michael its nominee Director on the board of Pivotal. Further, Viburnum has a relevant interest in 16.2% of the Company, with Jason Korman, a Partner at Viburnum also a nominee director on the board of Pivotal. The impact of this sub-underwriting on both Anzu and Viburnum's shareholding in the Company will depend on the extent to which Eligible Shareholders take up their Entitlements under the Entitlement Offer, and the extent to which any shortfall is able to be allocated to other investors including applicants under the Retail Entitlement Offer who elect to subscribe for additional securities under the Top-Up Facility described below.

Directors and senior management including John Hoffman and Joseph Monkowski have committed to participate for A\$0.3m.

Further details of the Entitlement Offer and the underwriting arrangements are set out below and in the accompanying investor presentation.

Entitlement Offer

The Entitlement Offer comprises both an Institutional Entitlement Offer and a Retail Entitlement Offer. Eligible Securityholders will have the opportunity to apply for 1 new CDI for every 4.24 existing Pivotal CDIs or shares held at the Record Date (being 7:00pm (AEDT) on Monday, 7 February 2022). Fractional entitlements to New Securities will be rounded down to the nearest whole number of New Securities.

Institutional Entitlement Offer

The Institutional Entitlement Offer is being conducted on Thursday, 3 February 2022. Certain institutional, professional, and accredited investors who are holders of Pivotal CDIs or shares ("Securityholders") ("Eligible Institutional Securityholders") may receive an offer to participate in the Institutional Entitlement Offer provided they are not an Ineligible Institutional Securityholder (as defined below).

Under the Institutional Entitlement Offer, Eligible Institutional Securityholders can choose to take up all, part or none of their entitlement. Entitlements not taken up under the Institutional Entitlement Offer will be offered by the Lead Manager to eligible institutional investors at the Offer Price.

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Ineligible Institutional Securityholders are registered Pivotal securityholders as at the Record Date and who are institutional or professional investors with a registered address outside of Australia, New Zealand, Korea, the United Kingdom or the United States, or whom the Lead Manager and the Company otherwise determine will be an Ineligible Institutional Securityholder for the purpose of the Institutional Entitlement Offer and who is not an Eligible Retail Securityholder.

The Institutional Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferable.

Retail Entitlement Offer

Eligible Retail Securityholders have the opportunity to invest in New Securities at the Offer Price, on the terms and conditions that will be set out in the Retail Offer Booklet to be sent to Eligible Retail Securityholders on Thursday, 10 February 2022.

Please note that Retail Securityholders with a registered address outside Australia or New Zealand on the Record Date are generally ineligible to participate in the Retail Entitlement Offer. Securityholders who are on the register on the Record Date will be notified by Pivotal if they are ineligible to participate in the Entitlement Offer. Eligible Retail Securityholders will receive a Retail Offer Booklet, including a personalised entitlement and acceptance form, which will provide further details of how to participate in the Retail Entitlement Offer.

Under the Retail Entitlement Offer, Eligible Retail Securityholders who take up their full entitlement may also apply for additional New Securities in excess of their entitlement at the Offer Price (subject to scaleback, at Pivotal’s discretion). The maximum amount of additional New Securities that an Eligible Retail Securityholder can apply for is 100% of their entitlement.

Key Dates

Key dates in relation to the Offer are as follows:

Item	Date
Announcement of the Equity Raising, Institutional Entitlement Offer opens	Thursday, 3 February 2022
Institutional Entitlement Offer closes	5:00pm (AEDT) Thursday, 3 February 2022
Announcement of results of Institutional Entitlement Offer	Monday, 7 February 2022
Trading halt lifted and trading re-commences on an ex-entitlement basis	Monday, 7 February 2022
Record date for determining entitlement to subscribe for New Securities	7:00pm (AEDT) Monday, 7 February 2022
Retail Entitlement Offer opens and retail offer booklet despatched	Thursday, 10 February 2022

Settlement of New Securities issued under the Institutional Entitlement Offer	Monday, 14 February 2022
Allotment and trading of New Securities issued under the Institutional Entitlement Offer	Tuesday, 15 February 2022
Retail Entitlement Offer closes	Monday, 21 February 2022
Settlement of New Securities issued under the Retail Entitlement Offer	Friday, 25 February 2022
Announcement of results of Retail Entitlement Offer	Monday, 28 February 2022
Allotment and trading of New CDIs issued under the Retail Entitlement Offer	Monday, 28 February 2022
Expected despatch of holding statements for New CDIs issued under the Retail Entitlement Offer	Tuesday, 1 March 2022

THIS RELEASE DATED 3 FEBRUARY 2022 HAS BEEN AUTHORISED FOR LODGEMENT TO ASX BY THE BOARD OF DIRECTORS

- ENDS -

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

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

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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' CHESS 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.

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