



**ASX De-Listing Presentation**

**14 February 2023**

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**(ASX: PVS)**

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# Pivotal Systems Overview

Pivotal Systems (**Pivotal**) designs, develops, manufactures and sells high performance gas-flow controllers for both device manufacturers and equipment companies participating in the semiconductor capital equipment market



GLOBAL LEADER IN  
GAS FLOW CONTROL  
(GFC) WITH UNIQUE  
DIGITAL FLOW  
CONTROL SOLUTIONS



FASTEST & MOST  
ACCURATE GFCs ON  
THE MARKET



PATENTED  
TECHNOLOGY  
ENABLING NEXT GEN  
SEMICONDUCTOR  
DEVICES



70,000 UNIT GLOBAL  
INSTALLED BASE &  
GROWING



SERVING MULTI-  
BILLION DOLLAR  
WAFER FAB  
EQUIPMENT  
INDUSTRY



EXPANSION  
OPPORTUNITIES INTO  
ADJACENT MARKETS

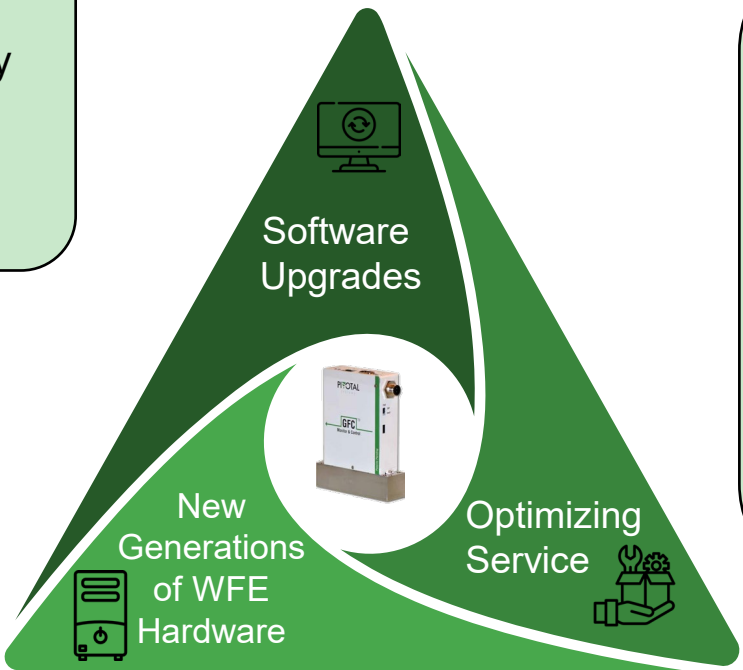


GFC5L™ | GFC20L™ | GFC50L™  
HIGH FLOW GAS FLOW CONTROLLER (GFC)

# Competitive Landscape & Sustainable Advantages

## Competitor's Weaknesses

- Analog devices
- Thermal and Pressure based technology
- Drift and requires calibration
- Waste gas and time to stabilize
- Cannot customize the flow profile



## Pivotal Advantages

- A programmable digital device
- Precision Positional Control Technology
- Advanced machine learning, no drift
- Fastest turn on/off in industry
- Serves low flow, high flow, and hi-temp
- Completely digital controllable flow profiles to uniquely enhance performance
- Demonstrable yield improvements & efficiencies for IDM customer

# Why is Pivotal Intending to Delist?

- Costs of remaining listed on the ASX for the foreseeable future significantly exceed the benefits
  - Management estimates that costs attributable to Pivotal's listing on ASX are approximately US\$1.6 million per annum.
  - The financial, administrative and compliance costs of maintaining the listing on ASX are no longer justified or in the best interests of securityholders
  - Opportunity to invest these cost savings back into core business
- Lack of liquidity on ASX, constraints on raising further capital given market cap
- Delisting will provide further flexibility in funding options to enable it to raise the required capital from investors in the US or Asia who are either unable to invest in ASX listed companies due to their investment mandates, or who are unwilling to invest in ASX listed companies
- The Board maintains that in the best interests of Pivotal and all Pivotal Security Holders that the Company delist from the ASX

# Consequences of Delisting

- The Company will be longer subject to Listing Rules including constraints on issues of capital, corporate governance and continuous disclosure requirements
- The Company will no longer be a disclosing entity for the purposes of the Corporations Act so it will not be required to continuously disclose information, including financial information, to Securityholders following its Delisting.
- Pivotal intends to continue providing annual and half year financials to its shareholders and will also provide periodic updates regarding the business to its shareholders

# Potential Future Transaction and Liquidity After Delisting

- All securityholders will be invited to maintain their shareholding in Pivotal (as holders of common stock) and participate in its future growth as part of the delisting proposal
- The Company has engaged Needham & Company to undertake a process to consider options for the Company following delisting<sup>1</sup>
- As a private company, the Board will seek to secure future private investment(s) during FY23 to fund existing operations and future growth
- The Board will continue to monitor equity market conditions and consider whether re-listing Pivotal Systems on an alternative exchange is an option in the future

1. there is no guarantee that a higher price for Pivotal securities will be obtained or that an exit event or strategic alternative will occur at all.

# Share Buy-Back

- Offering securityholders the opportunity to participate in an off-market buy-back of up to 2,000 shares/CDIs from each eligible holder on the record date up to an aggregate cap of A\$30,000.
- The proposed buy-back will have a buy-back price that is a 30% premium to the 20-day volume weighted average price of the CDIs on ASX prior to the date of announcement of the delisting
- Buy-back will be funded from existing cash reserves
- Buy-back enables those securityholders that do not wish to remain as shareholders of a private company to sell part of their holdings, or their entire holding in the case of securityholders with less than 2,000 CDIs (subject to scale back if acceptances are received for more than A\$30,000).
- Pivotal's CDIs will continue to trade on ASX through the date of the Special Meeting and, if the delisting is approved by securityholders, for one month after the Special Meeting
- The Buy-Back will not take place if shareholder approval is not obtained for Delisting
- Directors of Pivotal will not participate in the Buy-Back



# Special Shareholder Meeting to Approve Delisting

- ASX has provided in-principle advice that it will grant approval for the delisting subject to certain conditions including shareholder approval by way of a special resolution
- The resolution to approve the Delisting must be approved by way of special resolution whereby it must be passed by at least **75%** of the shares of stock voting at the meeting
- The Notice of the Meeting for the Special Meeting of Shareholders will be lodged with ASX in the coming days which is expected to be on or around 23 February 2023
- If the delisting is approved, any securityholders who do not sell their securities prior to Pivotal being removed from the Official List of ASX will continue to hold shares in Pivotal as a private, unlisted Delaware corporation.

# Indicative Timetable

DATE	ACTION
14 February 2023	<ul style="list-style-type: none"> <li>Announcement proposed delisting of the Company from ASX (subject to receipt of shareholder approval)</li> <li>Lodge Appendix 3C with ASX</li> </ul>
17 February 2023	Ex-date for Buy-Back
20 February 2023	Record date to identify shareholders/CDI holders entitled to participate in the Buy-Back (subject to shareholder approval of the Delisting)
23 February 2023	<ul style="list-style-type: none"> <li>Dispatch Notice of Meeting (seeking approval for the Delisting)</li> <li>Dispatch information for CDI holders as to their alternatives e.g. retain CDIs, participate in the Buy-Back, convert their CDIs to common stock</li> <li>Lodge Buy-Back Offer Booklet with ASX and dispatch to shareholders</li> </ul>
23 February 2023	Buy-Back offer period opens
23 March 2023	Shareholder meeting to approve Delisting of the Company and Buy-Back from ASX
21 April 2023	Buy-Back offer period closes
24 April 2023	<del>Lodge Appendix 3C (final) with ASX</del>
27 April 2023	Suspension of CDIs from trading on ASX
11 May 2023	Removal of the Company from the Official List of ASX
11 May 2023	Announce volume of shares to be bought back by the Company under the Buy-Back
11 May 2023	Payment date under Buy-Back
17 May 2023	CDN transfers title to the shares underlying any remaining CDIs to the former CDI holder

**Note:** All dates and times above are Sydney, Australia time. The Company will also inform securityholders of any changes to the indicative timetable referred to above by market announcement made via the ASX company announcements platform.

# Growth Strategies 2023 & Beyond

- Pivotal will continue its efforts to grow its business and capture market share in the Semiconductor equipment manufacturing industry.
- The Company intends to continue developing new products related to its core gas flow control business, delivering value to current and future customers.
- Pivotal's research and development is focused on three key areas:
  - (1) performance – our Management believes that Pivotal's Ultra High Speed device is faster than any other in the industry;
  - (2) software and control – with over 70 data stream signals; and
  - (3) application specific solutions – as demanded by customers
- Pivotal's devices provide OEMs with the ability to manufacture leading edge semiconductors using among the fastest, most accurate digital equipment on the market.
- Pivotal Systems believes it will gain market share through expansion of its existing products and customer base.

# Pivotal Summary

Highly aligned management team with the technical and commercial experience to **deliver on growth strategies**

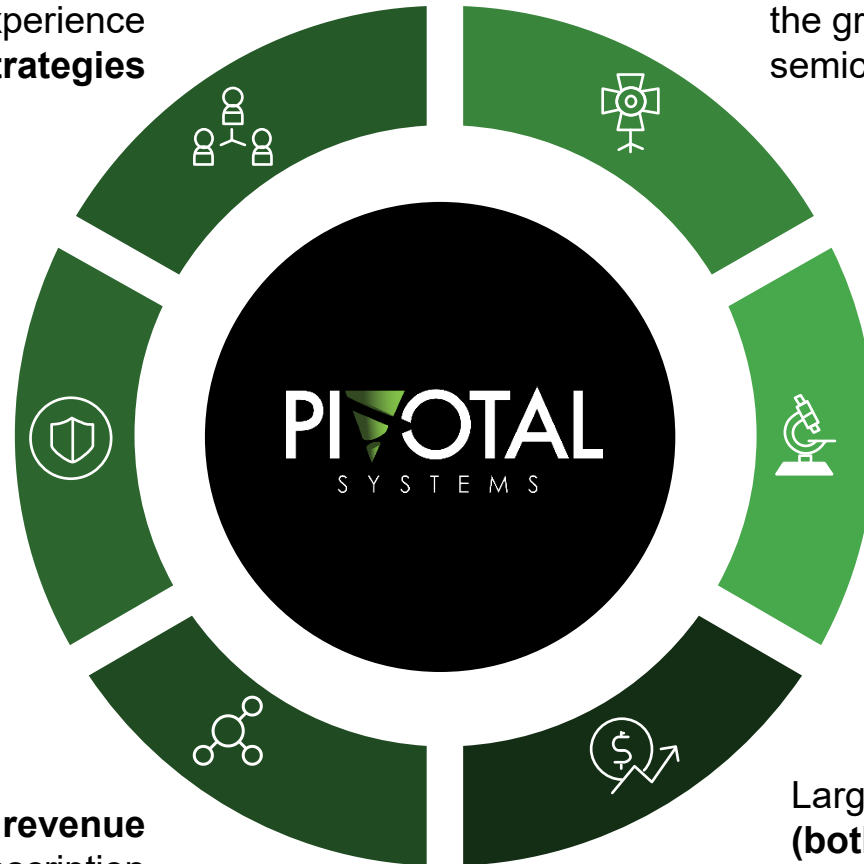
**Unique Gas Flow Solutions** to the growing global semiconductor industry

**Strong customer retention and a highly defensible product model.** Close relationships with high quality customer base comprised of leading **blue-chip IDMs and OEMs**

Opportunity for **diversification of revenue streams** with growth in high quality subscription revenues from the sale of software and services

**Clear technology leader** with a continuously expanding product set that continues to receive validation from a number of key blue chip customers

Large and **growing addressable market (both Semiconductor and Adjacent Markets)** with further opportunity for significant expansion of market share





# Thank You

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