



ASX / Media Release

FY2021 Audited Financial Results Important Changes

Fremont, California and Sydney, Australia; 31 March 2022 – Pivotal Systems Corporation (“Pivotal” or the “Company”) (ASX: PVS), a leading provider of innovative gas flow control (“GFC”) solutions to the semiconductor industry, today announces that following the finalization of the audit of the Company’s financial results for the full year ended 31 December 2021 (FY2021) some important changes have been made to the preliminary financial information that was released by the Company to ASX on 25 February 2022 in the Company’s Appendix 4E - Preliminary Final Report. These changes have now been incorporated into the Company’s audited FY2021 financial results which are included in the Company’s FY2021 Annual Report released to the ASX together with this announcement.

All changes shown below are non-cash by nature.

1. The expensing of all NASDAQ-related IPO costs of US\$2.19 million, which was previously classified in the Preliminary Final Report as a deferred offering costs under non-current assets;
2. A US\$241,000 adjustment of COGS and inventory to reflect a reallocation of purchase price variance between COGS and inventory, with the net effect a gross margin reduction from 31.3% as previously reported to 30.4%; and
3. A US\$168,000 reversal of other income related to a gain on a successful litigation case against a circuit board provider, as it is considered a gain contingency.

The net effect these changes will have on the Company’s financial position is that the Company’s previously reported unaudited net loss after tax of US\$4.6 million increases to US\$7.2 million (audited). The adjustments above do not impact the Company’s product revenue for the FY2021 period of US\$27.7 million or total recorded revenue of US\$29.2 million (audited). It is also useful to note that these changes reflect a conservative approach to US GAAP reporting requirements and, in the case of the gain contingency, does not mean the company is foregoing expected payment.

The Company continues to actively explore a NASDAQ listing which will leverage expended IPO costs. However, the recent A\$14.8 million pro-rata accelerated non-renounceable entitlement offer has removed the requirement for raising additional funds via a NASDAQ IPO in the short term, coupled with the potential dilutionary impacts at the current share price of such an initiative. As a result, the Board in consultation with its auditors agreed to expense those costs in the year in which they were incurred (i.e., FY2021).

THIS RELEASE DATED 31 MARCH 2022 HAS BEEN AUTHORISED FOR LODGEMENT TO ASX BY THE BOARD OF DIRECTORS OF PIVOTAL SYSTEMS.

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Safe Harbor Statement

This press release and the accompanying investor presentation, Appendix 4D and Half Year Financial Report contain 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 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' CHESS Depositary 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

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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.