



ASX / Media Release

## Investor Presentation

**Fremont, California and Sydney, Australia; 3 February 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 provides an updated Investor Presentation (attached) for the Company’s presentation today at the Reach Markets ‘Meet the CEO’ Event.

Investors can register for the free webcast and presentation at the following link:

<https://hubs.ly/H0F9c5d0>

*THIS RELEASE DATED 3 FEBRUARY 2021 HAS BEEN AUTHORISED FOR LODGEMENT TO ASX BY THE CHIEF EXECUTIVE OFFICER.*

- 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 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/>.

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**The Insider – Meet the CEO Virtual Webinar**  
**3 February 2021**  
**John Hoffman- Chairman & CEO**

(ASX: PVS)

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Financial data - All dollar values are in US dollars (US\$) unless as otherwise presented.

## Non IFRS financial measures

Pivotal Systems uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards or IFRS. These measures are collectively referred to in this document as 'non-IFRS financial measures' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by the Australian Securities and Investments Commission (ASIC). Management uses these non-IFRS financial measures to evaluate the performance and profitability of the overall business. The principal non-IFRS financial measures that are referred to in this document is EBITDA. EBITDA is earnings before interest, tax, depreciation and amortisation and significant items. Management uses EBITDA to evaluate the operating performance of the business prior to the impact of significant items, the non-cash impact of depreciation and amortisation and interest and tax charges.

Although Pivotal Systems believes that these measures provide useful information about the financial performance of Pivotal Systems, they should be considered as supplements to the income statement measures that have been presented in accordance with the Australia Accounting Standards and IFRS and not as a replacement for them.

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# PIVOTAL SYSTEMS SNAPSHOT

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

Australian Securities Exchange (ASX) Ticker	PVS
GICS <sup>1</sup> Code	4530 (Semiconductor Equipment)
Share Price (as at 28 January 2021)	\$0.98
52 week low / high	\$0.71 / \$1.71
Market Capitalisation <sup>2</sup>	\$117.7M
Cash on hand <sup>3</sup>	US\$7.5M
NTA per share <sup>4</sup>	US\$0.14
Top 20 CDI <sup>5</sup> Shareholders	91.1%

<sup>1</sup> GICS – Global Industry Classification Standard

<sup>2</sup> Based on Share price on 28 January 2021, issued capital of 120.2M

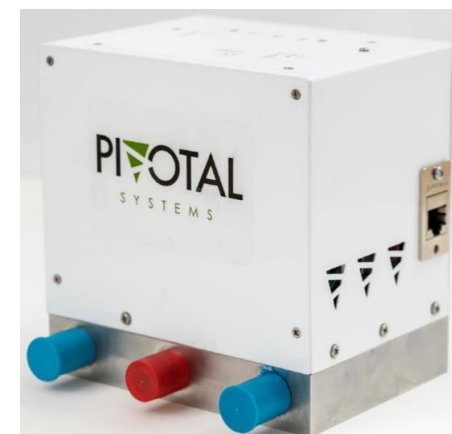
<sup>3</sup> As at 31 December 2020

<sup>4</sup> As at 30 September 2020

<sup>5</sup> CDI – Chess Depository Interests (1:1 ratio with common stock) as at 28 January 2021



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



# PIVOTAL'S LEADERSHIP TEAM



**John Hoffman**  
Chief Executive Officer

- >25 years of global high technology management experience
- 18 years at Applied Materials, Officer
- B.S., United States Military Academy at West Point and an Executive MBA (AEA), Stanford University



**Dennis Mahoney**  
Chief Financial Officer

- >30 years of experience, across public/private co., raising equity and debt, global M&A
- Former VP Finance, CFO and Corporate Secretary of ADAC Laboratories
- M.B.A from the Haas School of Business UC at Berkeley and a B.S. also from UC Berkeley



**Joe Monkowski Ph.D**  
Chief Technical Officer

- Founder of Pivotal Systems
- Extensive experience in the semiconductor industry focused on providing process equipment and metrology solutions
- Former CTO of Lam Research



**Kevin Hill**  
Chief Operating Officer

- >25 years of global high technology management experience
- Apple New Product Operations with Foxconn
- B.S., United States Military Academy at West Point, MSBA Boston University, and Certified Product Manager



**Kelly McDonough**  
VP Engineering

- Former engineer at Applied Materials
- B.S., Mechanical Engineering, Notre Dame and MSME, Mechanical Engineering, U. Wash.



**Terrell Gray Ph.D**  
VP Global Semiconductor Accounts

- >25 years as semiconductor industry tech. professional
- Former engineer at AMAT, service leader at KLA-Tencor, sales director at Brooks Instruments
- B.S., Electronic Engineering, Southern U., MBA U. Phoenix, Ph.D Executive Leadership, U. Charlton



**Nori Kobayakawa**  
VP Sales and Marketing

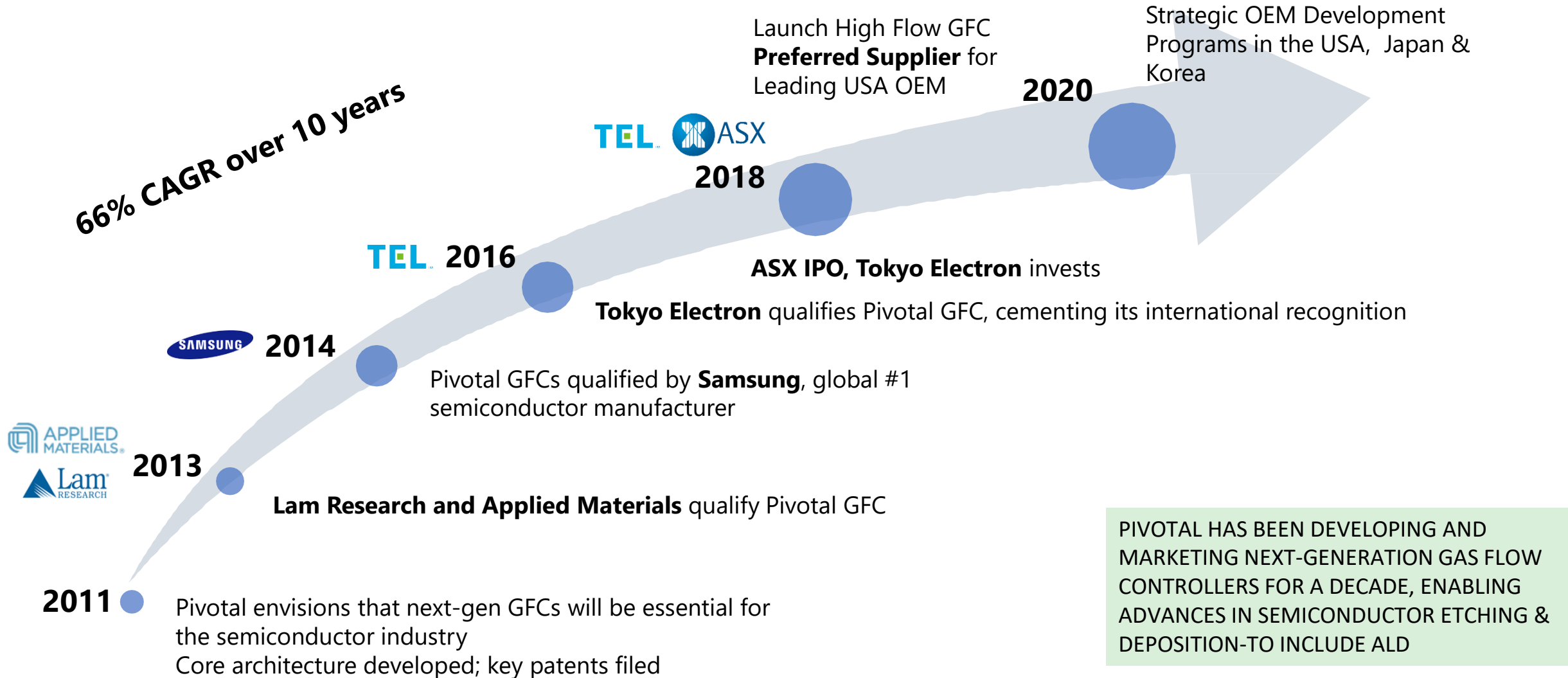
- >20 years experience in Asian markets driving increased market share and revenue
- Former Business Development Manager at KLA-Tencor



Collectively decades of experience across the semiconductor value chain



# A HISTORY OF DEVELOPMENT, DELIVERY & MARKET EXPANSION



# GLOBAL FOOTPRINT

PIVOTAL HAS A MANUFACTURING AND SALES AND TECHNICAL SUPPORT PRESENCE ACROSS THE US, EUROPE AND ASIA



- Pivotal technical, sales and distributor support
- ★ Pivotal Corporate HQ & R&D Center, Flex Capacity As Required

- Production Partnerships in Korea and China
- Korea Upgrade & Service Center
- R&D partnerships in US and Japan
- Support in all key IC markets globally

*All software development and R&D is conducted and securely held in Pivotal's headquarters in Fremont, California.*



# MARKET OPPORTUNITY > \$1.0bn (\$USD) TAM

## Flow Controller Manufacturers

- Manufacturers of gas flow control devices
- Industry participants include:
  - Horiba, Ltd.
  - Brooks Instruments
  - Fujikin
  - Hitachi Metals

**PIVOTAL**  
SYSTEMS



## Original Equipment Manufacturers (OEMs)

- Designers and manufacturers of process tools used in the production of semiconductors
- Industry participants include:



**2020 EST. GFC DEMAND  
(OEM NEW TOOL)**

PVS GFCs are designed into OEM semiconductor processing tools sold to IDMs for use in FAB plants (95% of TAM)

**376,000**

Units @ ASP of \$1,200\*

**\$452M**

TAM by Value

**8%**

Est. 2020 growth

## Integrated Device Manufacturers (IDMs)

- Semiconductor and integrated device manufacturers
- A sample of industry participants include:



**2020 EST. GFC DEMAND  
(IDM / RETROFIT)**

Retrofits are approximately 5% of TAM and Driven by OPEX Spending at FAB Level

**19,000**

Units @ ASP of \$1,200\*

**\$23M**

TAM by Value

**8%**

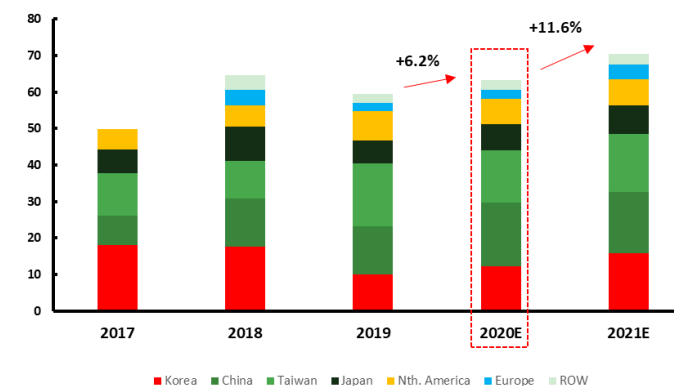
Est. 2020 growth

**\$475M** MFC TOTAL ADDRESSABLE MARKET IN 2020

**3.1%** PIVOTAL IMPLIED PENETRATION @ 2019 REVENUES

## SEMICONDUCTOR CAPITAL EQUIPMENT MARKET FORECAST TO GROW 8% IN 2020 & 11.6% in 2021, DESPITE COVID-19

TOTAL SEMICONDUCTOR EQUIPMENT MARKET (US\$Bn)<sup>1</sup>

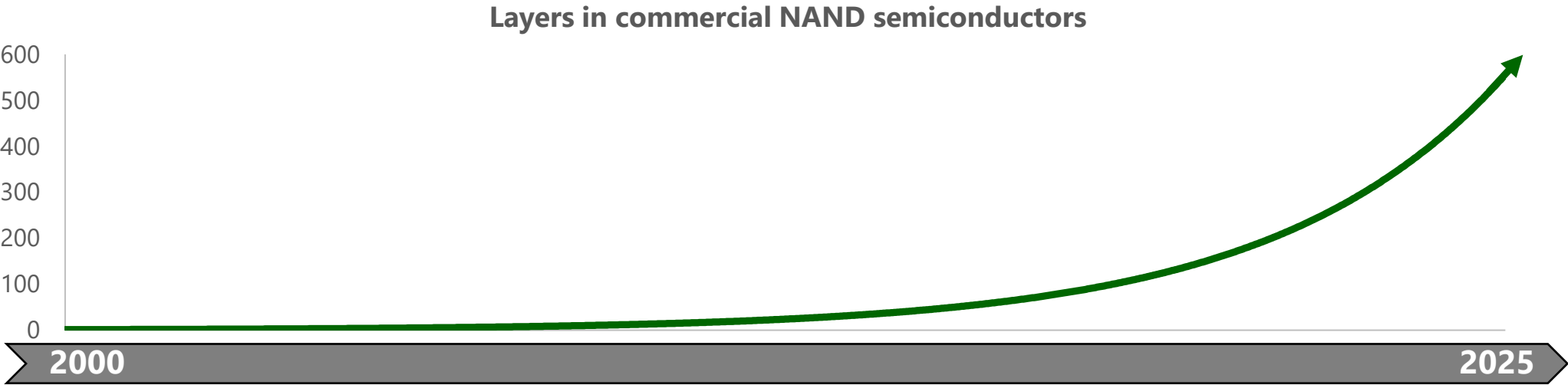


Forecast 2021 global semiconductor equipment sales of approximately US\$70 Bn with wafer fabrication equipment (WFE) > 10% up from 2020

Growth trajectory driven by advanced logic/foundry (single digit growth) and the memory market (DRAM, NAND) spending with growth over 20% in 2021

Source: Pivotal analysis based on public filings, market reports, Statista.  
TAM – total addressable market.  
\* Industry estimate only – not representative of Pivotal pricing structures

# WHY IS PIVOTAL WINNING? GAS FLOW CONTROL INNOVATION HAS LAGGED, WITH OUTDATED TECHNOLOGY PLATFORMS—UNTIL PIVOTAL SYSTEMS LAUNCHED



## Thermal-based Flow Control Platforms

**BROOKS**  
INSTRUMENT  
**HORIBA**  
Scientific  
**Fujikin**

## Pressure-based Flow Control Platforms

**Fujikin** (Fugacity)  
**HORIBA**  
Scientific  
**BROOKS**  
INSTRUMENT  
STEC Fluid Control  
Technology

## Pivotal GFC: Positive Positional Control

**PIVOTAL**  
SYSTEMS

# PIVOTAL NOW HAS A WIDE RANGE OF PRODUCTS BASED UPON THE POSITIVE POSITIONAL CONTROL TECHNOLOGY

## Gas Flow Controllers



## High Flow Gas Flow Controllers



## Flow Ratio Controller



Application	Etch	Deposition	Etch and Deposition
Specs	<b>Wide Flow Range:</b> 0.5-100% Full Scale <b>Best Flow Accuracy:</b> $\pm 0.5\%$ of Setpoint  <b>Fastest On/Off Settling Time:</b> <ul style="list-style-type: none"> <li>10%-100% FS <math>\leq 100\text{ms}</math></li> <li>0.5%-10% FS <math>\leq 300\text{ms}</math></li> </ul>	<b>Wide Flow Range:</b> 2.0-100% Full Scale <b>Flow Accuracy:</b> <ul style="list-style-type: none"> <li><math>\pm 1.0\%</math> of Setpoint 0.5slm – 5slm, 2.0slm – 20slm, 5.0slm – 50slm</li> <li><math>\pm 0.25\%</math> of full scale for 2.0-10.0% Full Scale</li> </ul> <b>Fastest On/Off Settling Time:</b> <ul style="list-style-type: none"> <li>10%-100% FS <math>\leq 100\text{ms}</math></li> <li>0.5%-10% FS <math>\leq 300\text{ms}</math></li> </ul>	<b>Flow Range:</b> 30L per channel <b>Number of Channels:</b> <ul style="list-style-type: none"> <li>2-8</li> </ul> <b>Flow Accuracy:</b> <ul style="list-style-type: none"> <li><math>\pm 0.5\%</math> of set point</li> </ul> <b>Set Point Change Settling Time:</b> <ul style="list-style-type: none"> <li><math>&lt; 100\text{ms}</math></li> </ul> <b>Flow Change Settling Time:</b> <ul style="list-style-type: none"> <li><math>&lt; 500\text{m}</math></li> </ul>
Model numbers	GFC5™   GFC20™   GFC200™   GFC1000™   GFC2000™	GFC5L™   GFC20L™   GFC50L™	PPC 30L

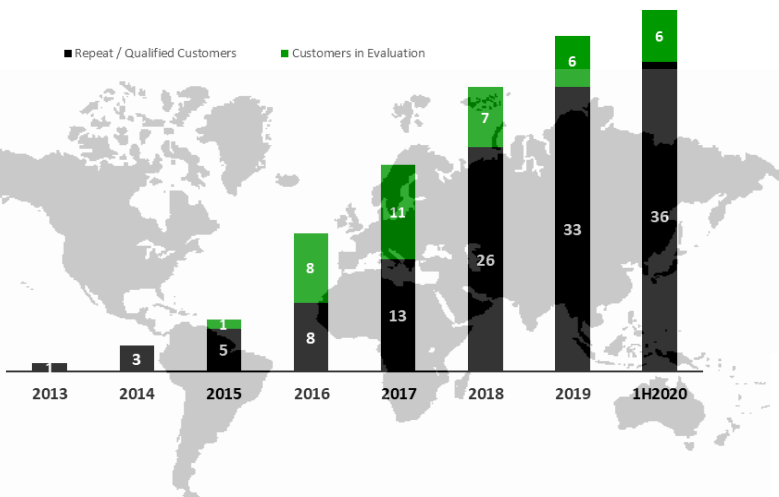
Pivotal product line covers all aspects of industry needs

# CUSTOMER EXPANSION & BUILDING DURABLE BARRIERS TO ENTRY

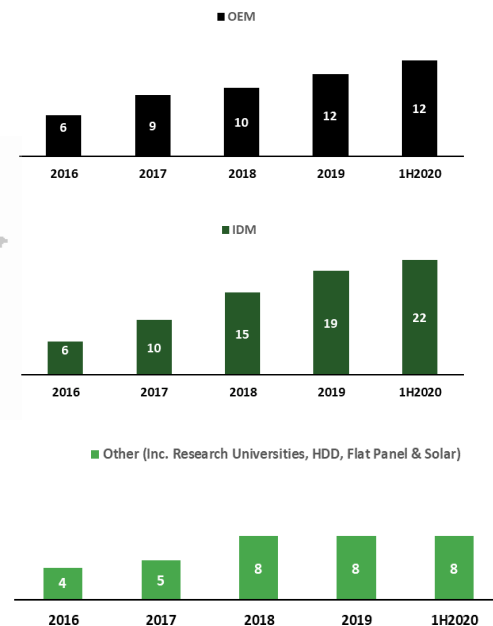
## Global Customer Base

- 5 Year customer Acquisition CAGR – 61%

■ Repeat / Qualified Customers ■ Customers in Evaluation

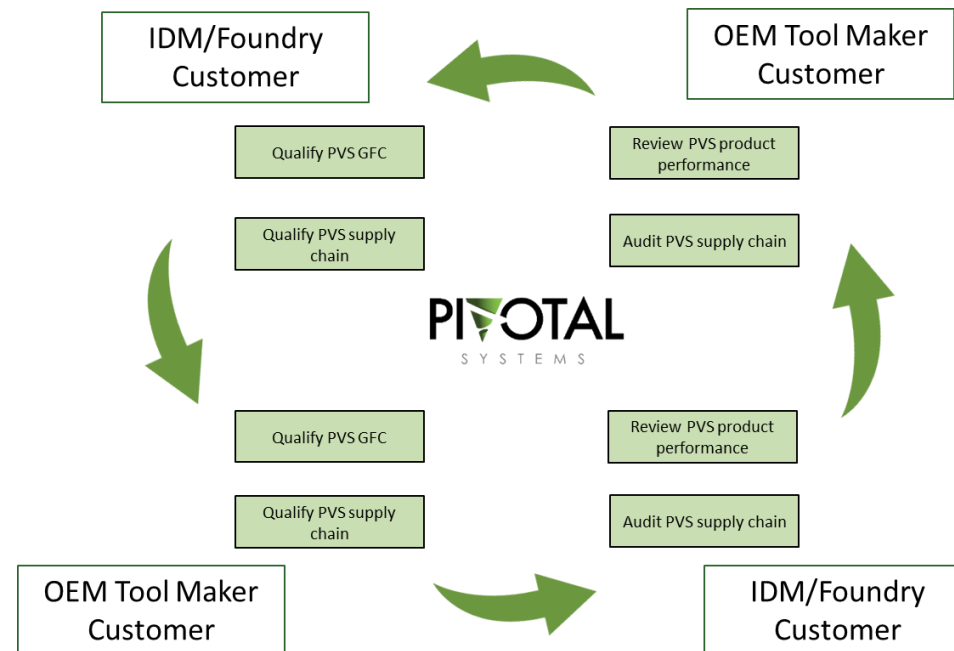


## Customer Stratified by Type



- Continued Momentum in 2020 and 2021
- Multiple Billion \$+ OEM Development Partners
- Industry Leader in Innovation and Customer Acceptance
- PVS Now viewed as the “Go To” Technology Development Partner in Flow Control in the Semiconductor Industry

1. Repeat / Qualified customers defined as a customer who has qualified Pivotal GFCs on production tools & ordered a Pivotal product on more than one occasion.  
2. Customers who are currently Validating the Pivotal GFC Technology.



Pivotal has mastered the “qualification and audit obstacle course” and has built a durable technical advantage

ISO 9001:2015 Re- Certified

Large, Multi-Billion Dollar Customers

Multiple Successful OEM / IDM Operational Audits Completed

36 Qualified Customers to Date

# 2021 OUTLOOK

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## SEMICONDUCTOR MARKET OUTLOOK FOR 2021 REMAINS STRONG

- International Data Corporation (IDC)<sup>1</sup> anticipates the return to economic growth is expected to spark an expansion of the semiconductor industry with worldwide semiconductor revenue is set to rise as much as 7% in 2021
- Equipment and semiconductor sales are expected to reach US\$200 billion and US\$1 trillion, respectively, in the early 2030s
- SEMI<sup>2</sup> estimates the global semiconductor manufacturing equipment market reaching US\$71.9 billion in 2021 and US\$76.1 billion in 2022, highlighting the long-term growth expectations in this market. The majority of Pivotal's sales are to the semiconductor equipment manufacturers (OEM's)

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## PIVOTAL EXPECTS SEQUENTIAL REVENUE GROWTH in 1H 2021 versus 2H 2020

- Despite global economic headwinds from COVID-19 , Pivotal delivered both record FY20 revenues of US\$22.1 million up 44% on the prior corresponding period
- The Company anticipates that 1H 2021 revenues will increase from 2H 2020 revenues and maintains prior guidance of improving growth from 2020 to 2021
- The Company sees continued strengthening in the overall semiconductor industry where industry growth is anticipated to achieve record levels
- While COVID-19 still brings uncertainty, the Company continues to progress toward its growth goals. Pivotal maintains that its client-led new product development efforts are the key catalyst for future market share gains

<sup>1</sup> <https://www.semi.org/en/news-media-press/semi-press-releases/virtual-iss-2021>

<sup>2</sup> <https://www.semi.org/en/news-media-press/semi-press-releases/semiconductor-equipment-2020-year-end-forecast>



# Thank You

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