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HALF YEAR RESULTS PRESENTATION

27 August 2021

John Hoffman- Chairman & CEO

Michael Bohn- Acting CFO

(ASX: PVS)

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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

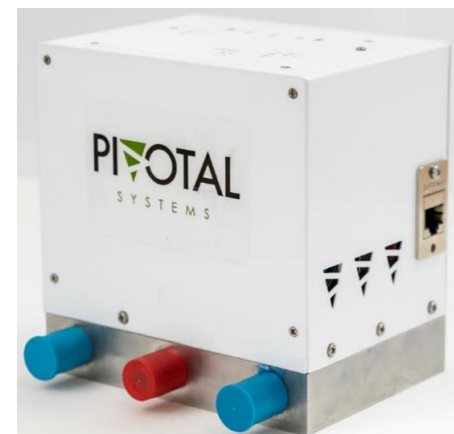
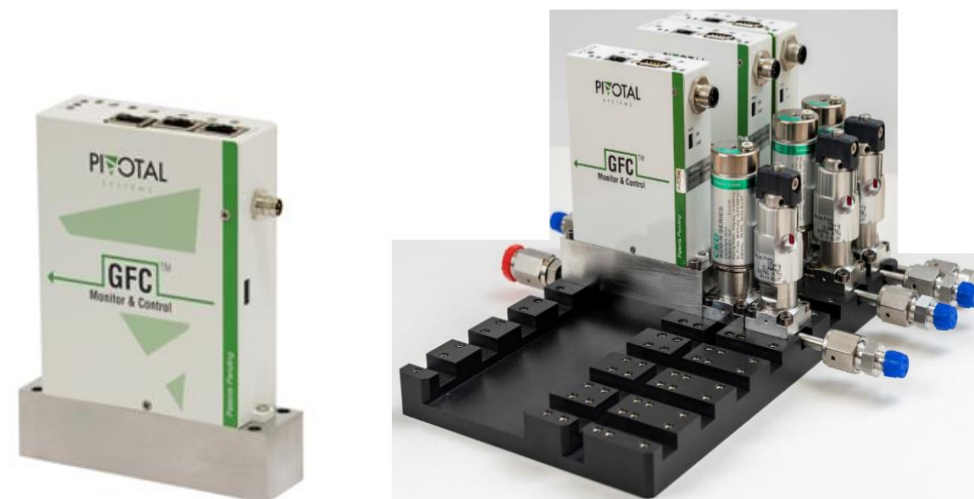
Australian Securities Exchange (ASX) Ticker	PVS
GICS ¹ Code	4530 (Semiconductor Equipment)
Price per CDI as at 16 August 2021	A\$1.455
52 week low / high	A\$0.70 / A\$1.62
Market Capitalisation ²	A\$185M / US\$136M
Record 1H21 Revenue ³	US\$13.6M
Top 20 CDI ⁴ Holders	97.5%

¹ GICS – Global Industry Classification Standard

² Based on Share price on 16 August 2021, issued capital of 127.2M (AUD/USD = 0.734)

³ As at 30 June 2021

⁴ CDI – Chess Depository Interests (1:1 ratio with common stock) as at 16 August 2021



PIVOTAL SYSTEMS OVERVIEW



**GLOBAL LEADER IN
GAS FLOW
CONTROL (GFC)
SOLUTIONS**

- Leading provider of innovative gas flow control solutions which are integral in the production of semiconductor devices (semiconductors)
- Pivotal's portfolio of GFCs and Flow Ratio Controllers (FRCs) assist semiconductor manufacturers to stabilise and control the delivery of gases used to deposit or remove materials during the semiconductor manufacturing process
- Significant patent protection in place with 36 issued patents and 389 patent claims



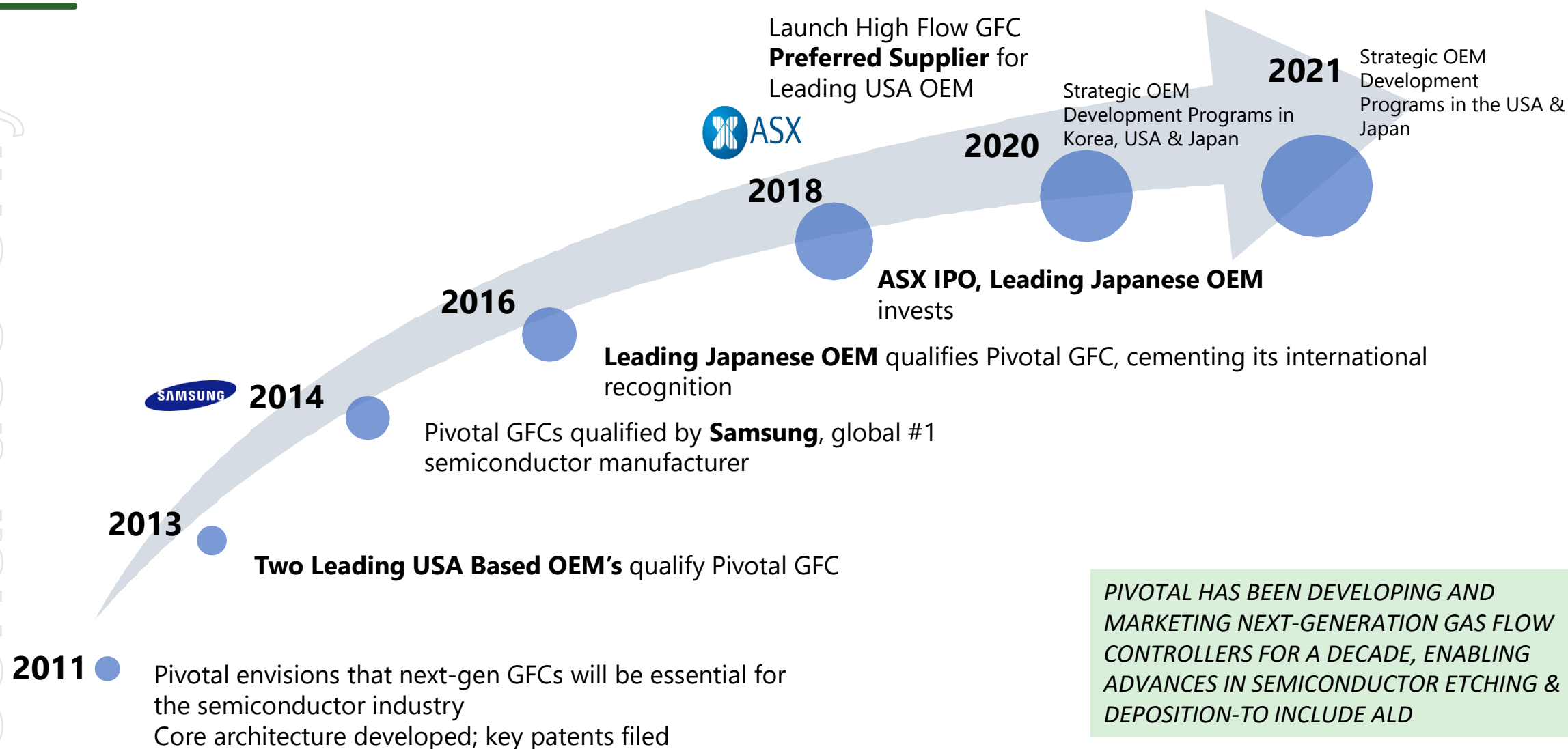
**POSITIONED
WITHIN
MULTIBILLION
DOLLAR INDUSTRY**

- The broader mass flow controller (MFC) market is forecast to grow to well above \$1 billion by 2022¹
- Pivotal's customer base continues to grow and includes some of the largest integrated device manufacturers (IDMs) and original equipment manufacturers (OEMs)
- Opportunity for significant increase in customer penetration and expansion of overall market share

All amounts are expressed in US\$ unless otherwise indicated

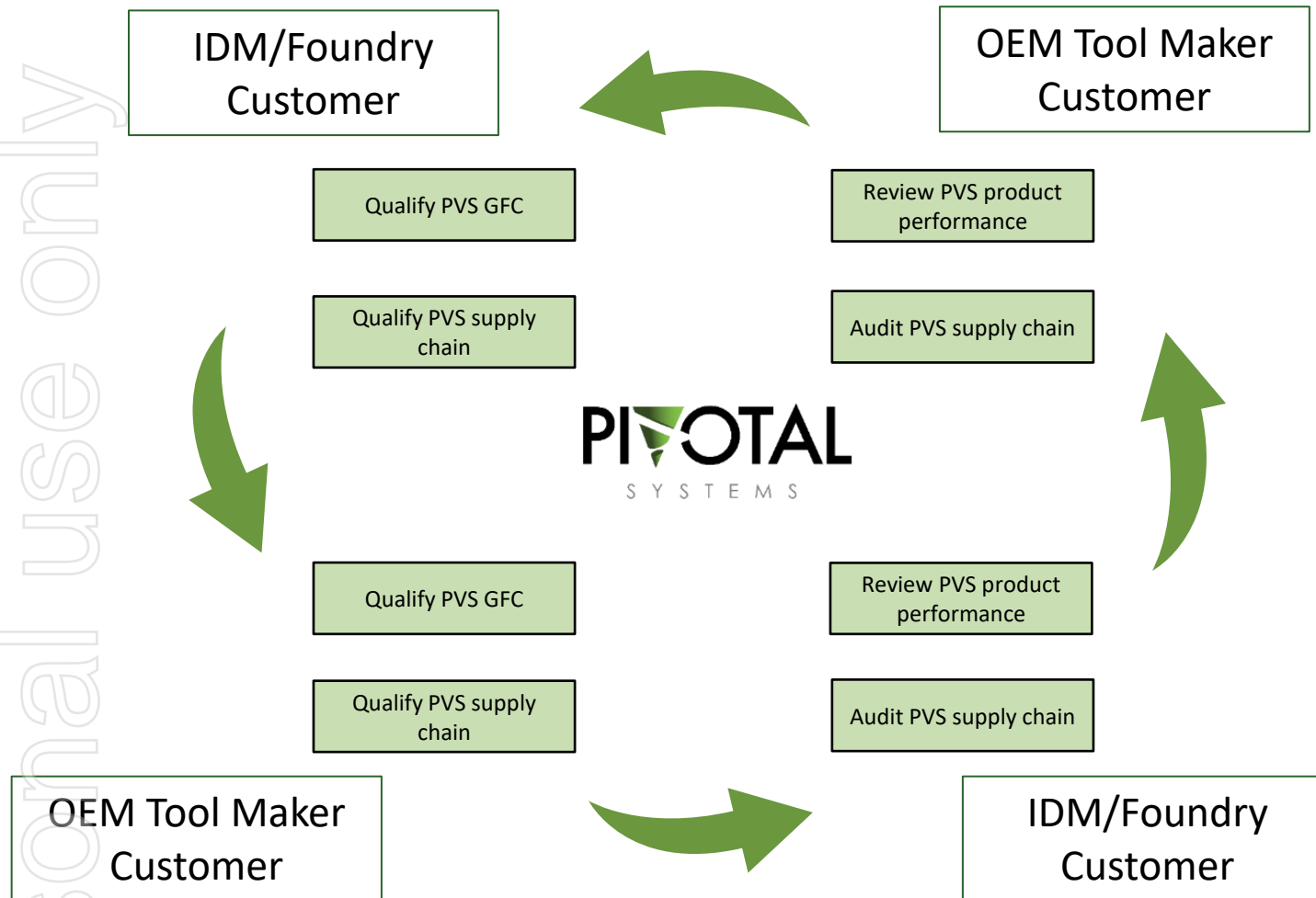
1. Global Market Insights – Mass Flow Controller Market Report 2027

A HISTORY OF DEVELOPMENT, DELIVERY & MARKET EXPANSION



PIVOTAL HAS BEEN DEVELOPING AND MARKETING NEXT-GENERATION GAS FLOW CONTROLLERS FOR A DECADE, ENABLING ADVANCES IN SEMICONDUCTOR ETCHING & DEPOSITION-TO INCLUDE ALD

BUILDING DURABLE BARRIERS TO ENTRY



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

ISO 9001:2015 Re- Certified

**Multiple Successful OEM / IDM
Operational Audits Completed**

41 Qualified Customers to Date; and growing

Large, Multi-Billion Dollar Customers

MARKET OPPORTUNITY > \$1Bn TOTAL ADDRESSABLE MARKET (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:

Lam
RESEARCH

APPLIED
MATERIALS

TEL
TOKYO ELECTRON

ASM

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)

525,000
Units @ ASP of
\$1,200*

\$599.5M
TAM by Value

30%
Est. 2021
growth

Integrated Device Manufacturers (IDMs) & Foundries

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

intel

SAMSUNG

tsmc

SK hynix

2020 EST. GFC DEMAND
(IDM / RETROFIT)

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

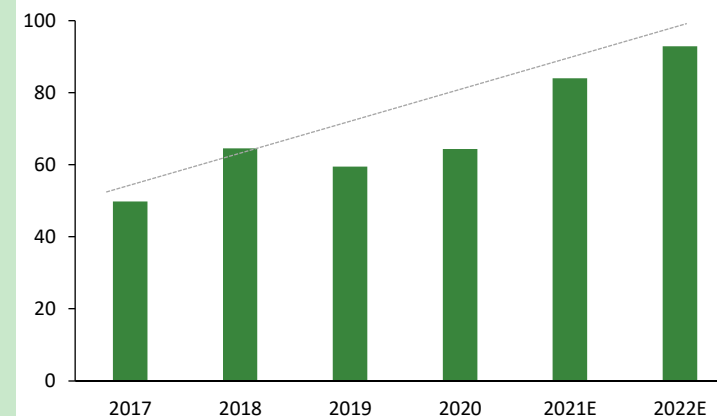
26,250
Units @ ASP of
\$1,200*

\$31.5 M
TAM by Value
(5% of Total)

30%
Est. 2021
growth

\$631M (est) MFC TOTAL ADDRESSABLE MARKET IN 2021

SEMICONDUCTOR CAPITAL EQUIPMENT MARKET EXPECTED TO GROW 30% IN 2021 to \$84Bn



Forecast 2021 global semiconductor equipment sales of approx. US\$84Bn up 30% and 11% in 2022 to \$93Bn¹

Growth trajectory driven by advanced logic/foundry driven by investment in leading technologies and the memory market (DRAM, NAND)

According to data presented at the SEMI Industry Strategy Symposium (ISS)² semiconductor equipment sales set to grow to \$200Bn in the early 2030s

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

GLOBAL FOOTPRINT ACROSS US, EUROPE and ASIA

MANUFACTURING, SALES AND TECHNICAL SUPPORT STRATEGICALLY LOCATED TO SERVE KEY MARKETS & CUSTOMERS



- 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

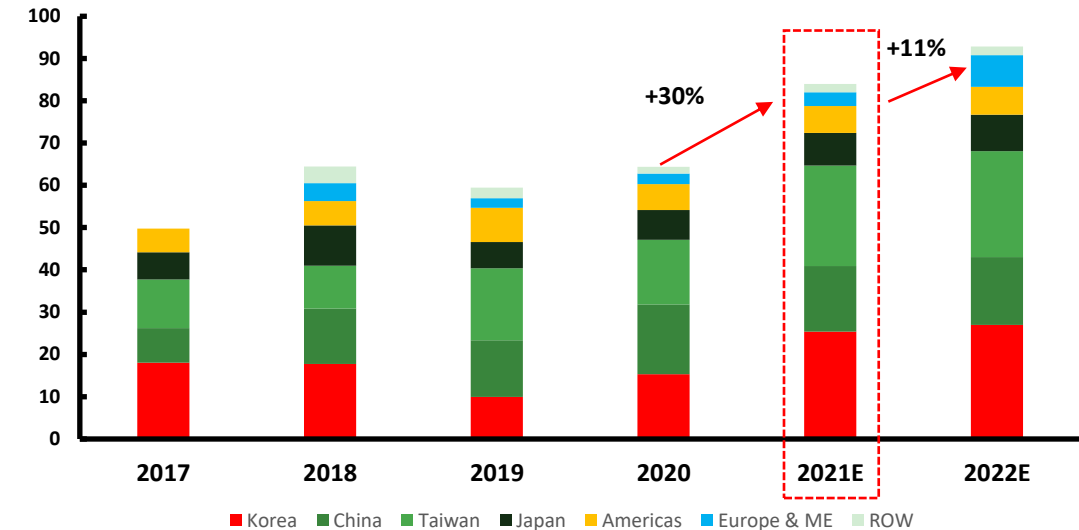
All software development and R&D is conducted and securely held in Pivotal's headquarters in Fremont, California.

INDUSTRY DYNAMICS

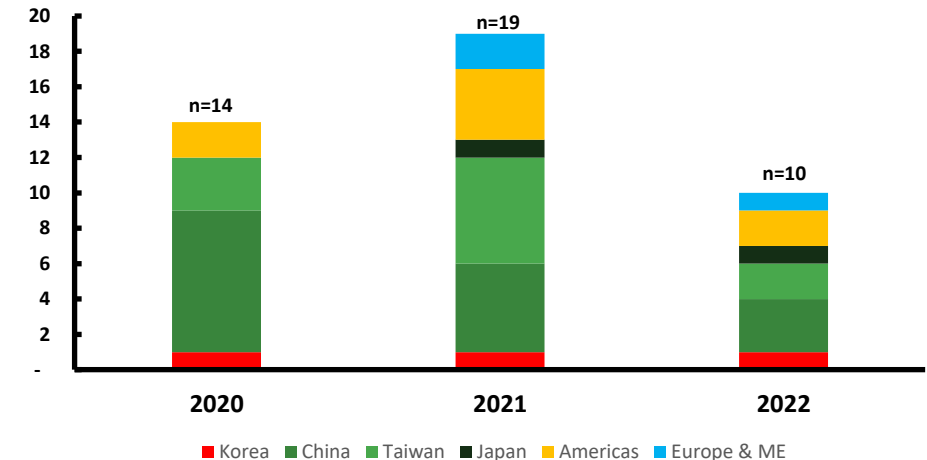
SEMICONDUCTOR CAPITAL EQUIPMENT MARKET FORECAST TO GROW 30% IN 2021 AND 11% in 2022

- Philadelphia Semiconductor Index up **79%** since 1 January 2020
- Most recent SEMI¹ data highlights continued upgrade to expectations for 2021 equipment sales (SEMI estimate in Dec 2020 of \$72Bn)
- Revised forecast 2021 global semiconductor equipment sales of US\$84Bn, representing growth of 30% on the prior year and a 17% upgrade from SEMI since Dec 2020
- Forecast 2022 global semiconductor equipment sales reaching \$93Bn, up 11%
- Growth trajectory driven by advanced logic/foundry and the memory market (DRAM, NAND) spending
- Korea growth 66% to \$25Bn in 2021, Taiwan growth of 55% to \$24Bn in 2021
- 14 new fabrication (Fab) plants commenced construction in 2020, with a further 19 planned in 2021 and 10 in 2022 with 2-4 years to reach full capacity
- Average cost per fab \$7-\$15Bn, >30% process equipment, equating to more durable growth cycle for OEMs

TOTAL SEMICONDUCTOR EQUIPMENT MARKET (\$Bn)¹



NEW FABs STARTING CONSTRUCTION (2020-2022)¹



¹ Source: World Fab Forecast Report, 2Q21 Update, Published by SEMI








IDM EQUIPMENT SPEND ANALYSIS

SAMSUNG AND TSMC LEAD INVESTMENT INTO NEW FABRICATION (FAB) PLANTS TO MEET SIGNIFICANT INCREASES IN SEMICONDUCTOR CHIP DEMAND

Investments into new fabrication plants in the US led by Samsung, TSMC and Intel

Pivotal is the only US supplier of flow controllers capable of the accuracy and speed required at the leading edge of semiconductor manufacturing

Government stimulus/incentives for material expansion of domestic semiconductor manufacturing capability announced for the US, Europe, Korea and to a lesser extent, Japan

IDM	FY20A (US\$Bn)	% of Total	FY21E (US\$Bn)	% of Total	FY22E (US\$Bn)	% of Total
	15.0	23%	22.4	27%	20.6	22%
	12.5	19%	20.2	24%	22.2	24%
	6.5	10%	5.2	6%	8.4	9%
	4.9	8%	6.7	8%	8.0	9%
	3.8	6%	4.8	6%	5.4	6%
	5.1	8%	3.1	4%	3.1	3%
	1.0	2%	2.0	2%	1.8	2%
All others	15.8	24%	19.6	23%	23.5	25%
TOTAL	64.6	100%	84.0	100%	93.0	100%
<i>Growth</i>			<i>30%</i>		<i>11%</i>	

Excluding Govt. Stimulus Measures Announced since March 2021

USA: US\$52Bn
Europe: US\$177Bn
Korea: US\$450Bn

Source: SEMI world Fab forecast June 2021, Pivotal Systems

GROWTH DRIVERS



WFE sector growing. Etch and deposition are fastest-growing segments of WFE, This Drives UP the Flow Control Market



Growing installed base of Pivotal GFCs drives recurring revenue streams to Increase

- Software upgrades
- Retrofits



Market share gains as Pivotal fans out from OEM "qualified supplier" to Supplier across multiple Business Groups in a Specific OEM



Total Addressable Market (TAM) is growing as Pivotal expands product portfolio to adjacent Industries requiring Critical Gas Flow



Growing TAM

Software and Upgrades

Market Share Gains

Adjacent Industries

NEW VERTICALS MARKET DEVELOPMENT

Clean Energy & Batteries



- High demand in fuel cell systems for renewable energy applications
- Expected to be a large future market opportunity (\$50M+) supplying materials manufacturers^{1,2}
- MOU signed with South8 Technologies for next generation energy storage solutions

Healthcare / Life Sciences



- \$280M Market Opportunity by 2027, growing at 7% CAGR³
- GFC growth driven by requirement for repeatability in production batches and yield/productivity increases
- Pivotal has commenced early discussions with key industry participants

1. Targray Public Materials
2. Converged Market Industry Report
3. Global Market Insights – Mass Flow Controller Market Report 2027

REVIEW OF FIRST HALF 2021

1H 2021 revenue grew 34.6% to \$13.6 million, reflecting significant growth in semiconductor wafer fabrication equipment (WFE) manufacturers, which constitute the majority of Pivotal's customer base by revenues. Favourable industry tailwinds expected for remainder of 2021 and into 2022.

STRATEGIC DEVELOPMENT INITIATIVES

- Continued progress of the development program with a leading Japanese OEM and a leading US Based OEM for ALD products
- US\$365k on time progress payments for advanced ALD GFC milestone achievement under the Development Agreement signed with leading Japanese OEM
- New agreements in progress

CONTINUED TO EXPAND GEOGRAPHIC FOOTPRINT & CUSTOMER BASE

- Standard GFC for etch applications continued qualification with leading Japanese OEM – to commence on tool testing in 2H2021
- Multiple repeat orders in Japan, Europe, Taiwan, China, North America and Korea for OEM and IDM customers
- Backlog (confirmed orders not yet shipped) as at 30 June 2021 was \$3.9M

EXPANDED MANUFACTURING AND CONTINUED NEW PRODUCT DEVELOPMENT & COMMERCIALISATION

- Capacity maintained to meet future and current demand: 4000 units per month for 5 day, 2 shift production.
- Software Upgrade and Repair Business revenues grew from \$352K in 1H 2020 to \$696K in 1H 2021 (98% growth)
- Continue to invest in, and develop next generation Flow Control Products for Etch and Deposition market applications

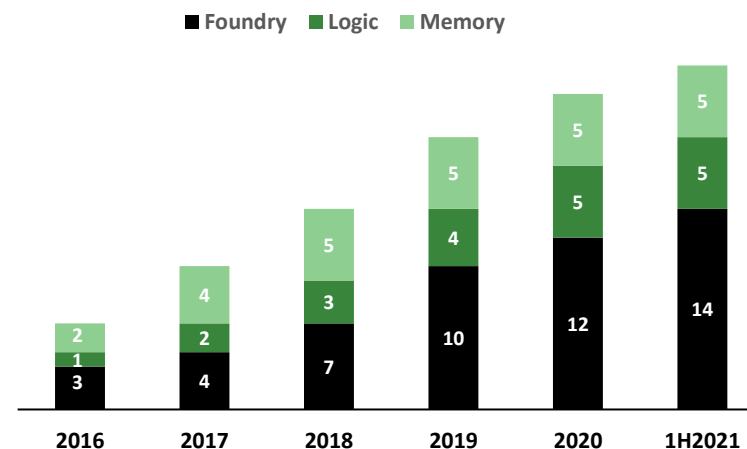


CUSTOMER SEGMENTATION

BY END SEMICONDUCTOR DEVICE - IDM

CONTINUED DIVERSIFICATION OF CUSTOMER BASE DURING THE HALF

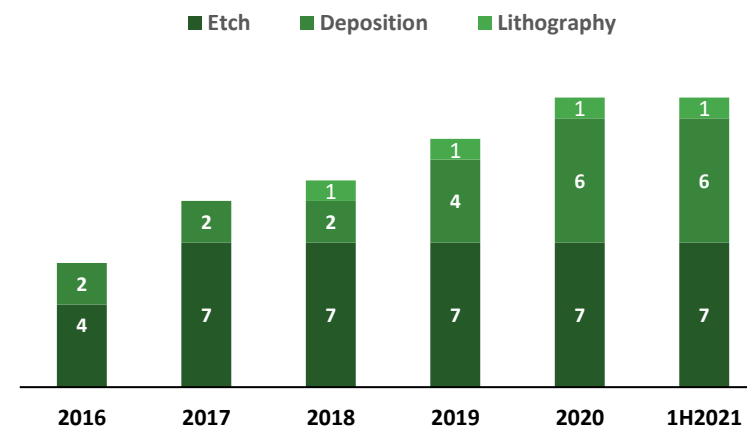
- Two new foundry customers, an increase of 17% on FY2020 as the Company continued to expand its revenue footprint
- 124% increase IDM retrofit revenue from \$0.6M to \$1.4M reflecting stronger retrofit demand off a higher base of installed units
- Business development initiatives in new verticals commenced in 1H 2021



BY PROCESS TECHNOLOGY - OEM

STRONG GROWTH WITHIN EXISTING OEM ACCOUNTS IN 1H 2021

- Qualified at all three of the major OEMs for either etch or deposition applications
- Priority is in fanning out PVS Technology from our Qualification Success
- PVS in Development Programs with 2 of the Top 3 OEMs



Non-foundry, non-logic and non-memory customers are not included in this analysis

CUSTOMER SEGMENTATION

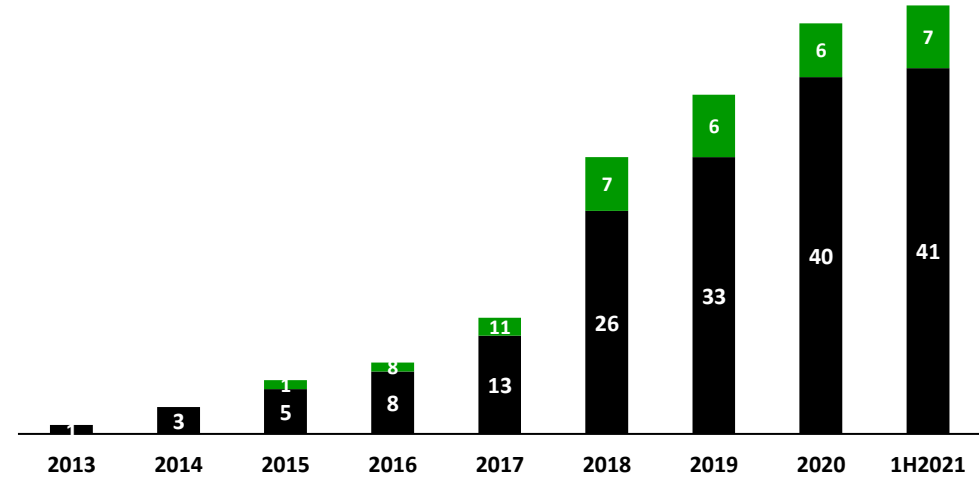
BREADTH OF CUSTOMER VALIDATIONS DRIVES REPEAT ORDERS

- 1 additional Foundry customer qualified Pivotal's technology during 1H 2021 versus FY2020
- 41 total repeat/qualified Pivotal customers
- 7 additional customers currently under evaluation
- Diversification of customers reduces historical reliance on Korean memory players
- IDM's that qualify PVS technology are able to request it on New OEM Process Tool Sales.

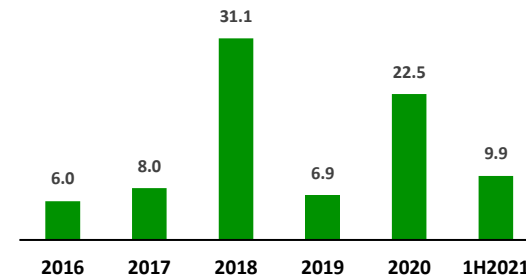
CONTINUED STRONG SEMICONDUCTOR INDUSTRY GROWTH IN 1H2021

- \$3.9M in backlog as at 30 June 2021; backlog up 32% since FY2020
- New orders were up 2.8% versus the prior corresponding period (pcp)
- Increase in shipments to leading OEMs and IDMs in 1H2021
- Industry growth at the end of 2020 continued its momentum into the 1H2021
- SEMI has forecast significant growth to continue in 2021 and into 2022

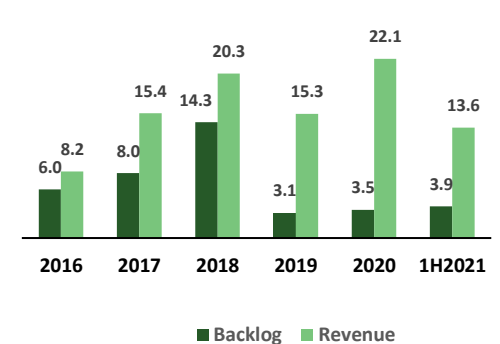
■ Repeat / Qualified Customers ■ Customers in Evaluation



NEW ORDERS (\$M)



BACKLOG & REVENUE (\$M)



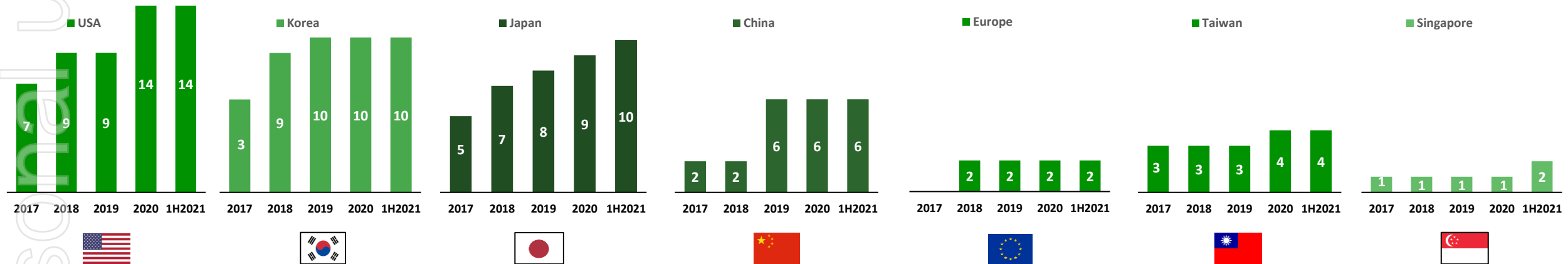
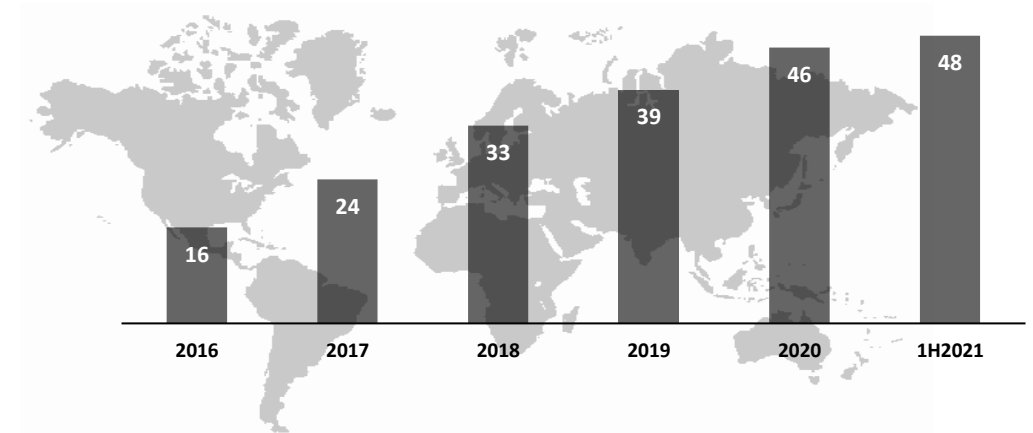
1. Repeat / Qualified customers defined as a customer who has qualified Pivotal GFCs on production tools & ordered a Pivotal product on more than one occasion.
 2. Customers who are currently Validating the Pivotal GFC Technology.

CUSTOMER TRENDS

CONTINUED GROWTH IN CUSTOMERS AND GEOGRAPHIC DIVERSIFICATION

- Growth in global customers and those qualifying the GFC rose 4% in 1H2021 (versus FY2020) from 46 to 48
- New customer adds in Singapore and Japan
- Pipeline of new business opportunities in semi and other verticals remains strong
- Repeatability, speed, improvement in product/production yield fuelling interest in Pivotal products

Global Customer Count

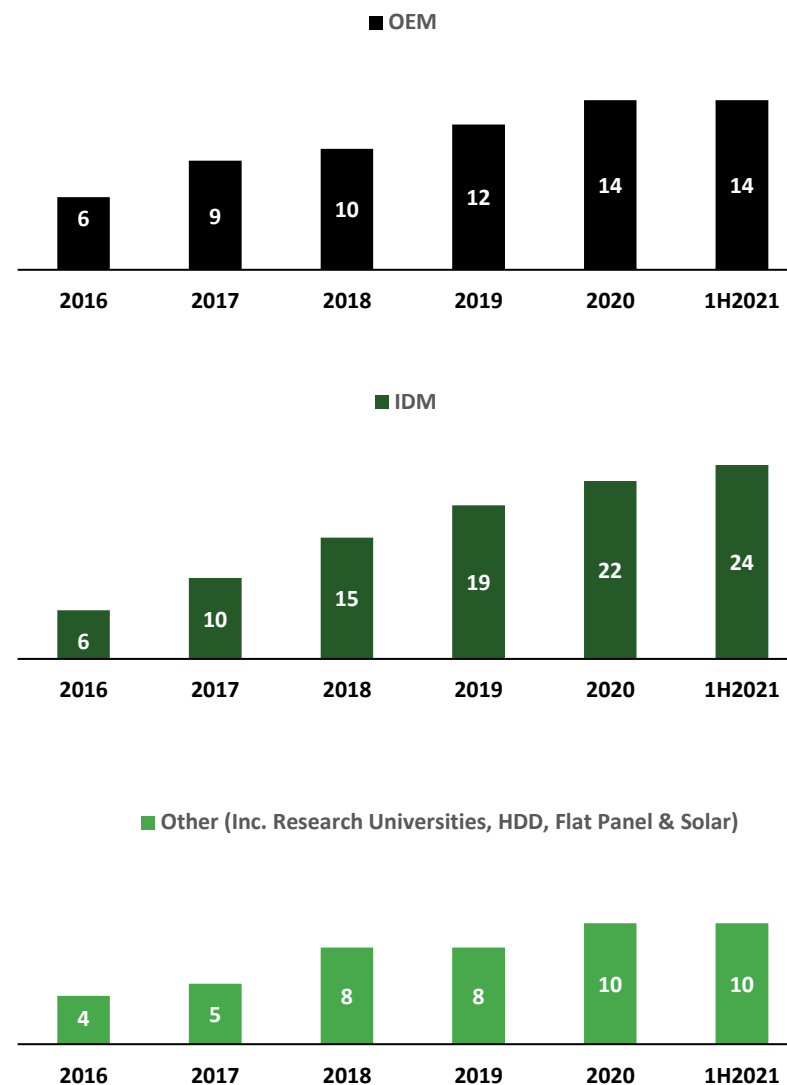


Note: Customers included in the global customer base include large multi-national semiconductor companies with regional operations who independently purchase GFCs from Pivotal

OEM & IDM CUSTOMER GROWTH CONTINUES

NEW IDM CUSTOMER ADDS IN 1H 2021, OEM UNCHANGED

- 9% growth in IDM customers in 1H 2021 versus 1H 2020 (n=22)
- Number of OEM customers purchasing unchanged from 2020
- Semiconductor OEMs who purchase GFCs are **highly** concentrated to two USA Based OEMs and one Japan based OEM
- Sales to HDD, Flat Panel and Solar add an additional \$500M to the PVS TAM; the Company will continue to leverage these opportunities into the future



PRODUCT MIX METRICS

REVENUE CONTRIBUTION BY PRODUCT (%)

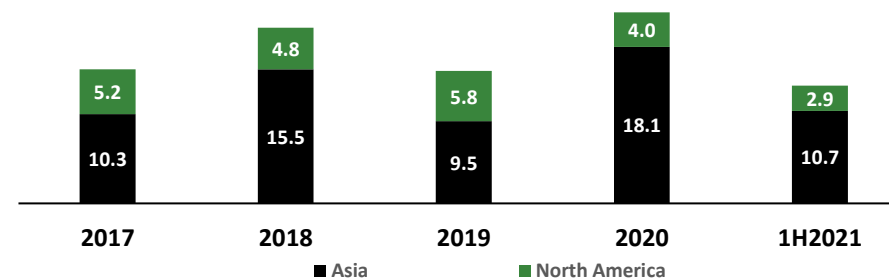
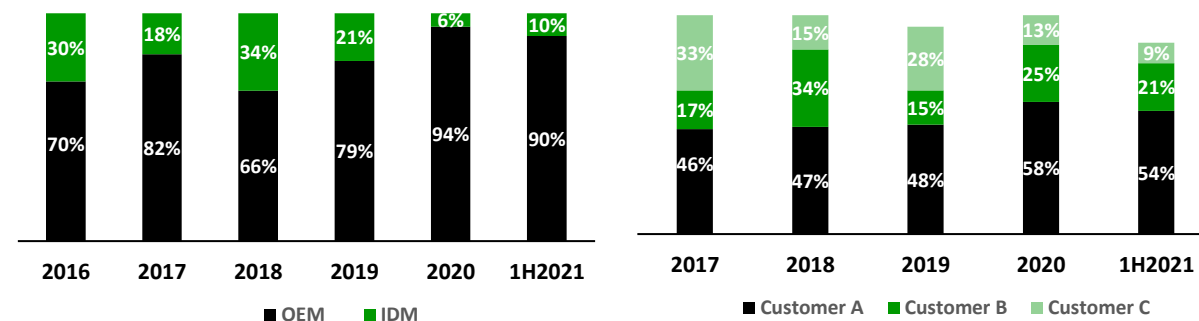
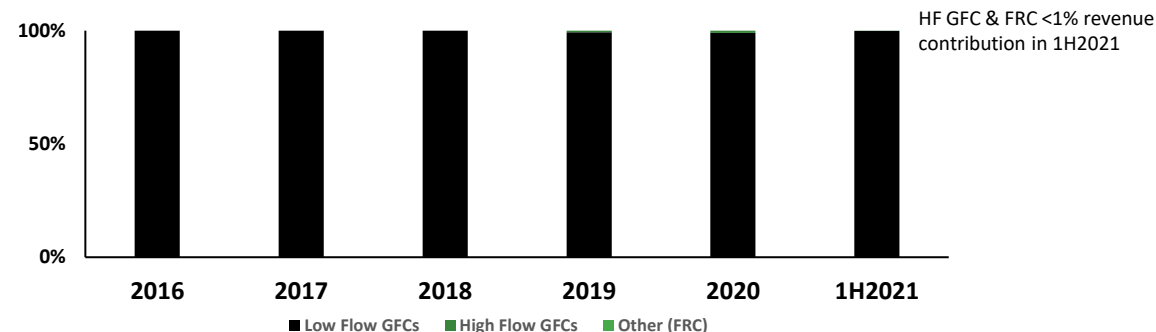
- Low flow (etch) GFC continues to increase in revenue as more companies adopt it for Etch.
- New High flow (deposition) GFC sales contributed <1% of 1H2021 revenues (1% in FY2020); remains a significant opportunity for growth
- Improvements in High Flow and FRC sales in 2H 2021 expected

REVENUE CONTRIBUTION BY CUSTOMER (%)

- OEM / IDM split of 90% / 10%
- Strong demand by OEMs for Pivotal's GFCs due to semiconductor equipment growth in 1H
- Top 3 Pivotal customers accounted for 84% of revenues (FY2020: 85%)

REVENUE BY REGION (\$M)

- Strong revenue contribution by leading US OEM-shipping into Asia New Fabs for overall revenues of \$10.7M
- Korea memory market remains a key market for Pivotal
- Momentum continues in Japan and Taiwan – sales of \$3.4M



PRODUCT INNOVATION

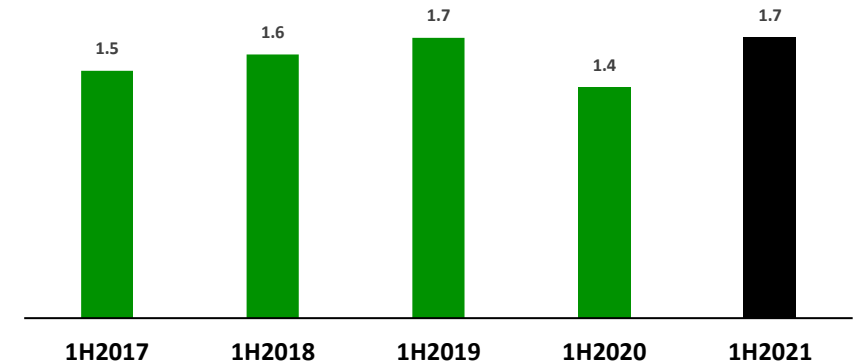
FOCUSED R&D INVESTMENT ON EXCEPTIONALLY INNOVATIVE PRODUCT CONCEPTS AND DEVELOPMENT

- R&D expenditures were \$1.7M in 1H2021 (1H2020: \$1.4M). Prior to capitalization of R&D expenditures on projects reaching technical feasibility, 1H2021 R&D expenditures were \$3.2M when compared to 1H2020 at \$2.4M.
- R&D Activity in 1H2021 was led by OEM Non-Recurring Engineering (NRE) agreements & Pivotal high temp piezo program
- “Hot GFC” development continues in partnership with a leading US based OEM

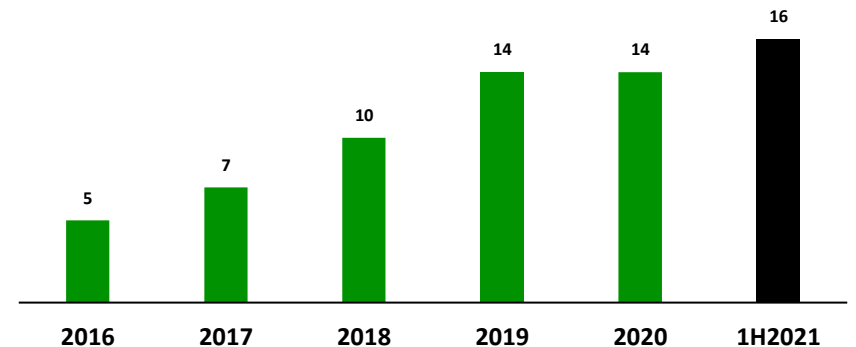
NEW PRODUCT DEVELOPMENT IS DRIVEN BY STRATEGIC CUSTOMERS

- Pivotal is currently viewed as the Flow Control Innovation Leader in the Semiconductor Industry
- Innovation is essential when working with Industry Leaders (OEM & IDM) to gain efficiency in an increasingly competitive global market driven by Moore’s Law
- Pivotal aims to release at least two new products each year to meet the requirements of our customers and remain at the forefront of GFC innovation while driving a sustainable competitive advantage

RESEARCH AND DEVELOPMENT EXPENDITURE (\$M)



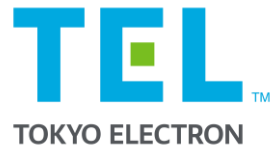
CUMULATIVE PRODUCTS LAUNCHED



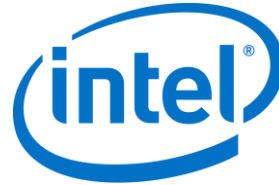
PIVOTAL'S LEADING-EDGE GFCs IDEAL FOR ALD

Top 4 OEMs collectively hold >75% market share of ALD market, estimated at \$1.6 billion in 2019

MAJOR OEMs



MAJOR IDMS



- Atomic Layer Deposition (ALD) is a key process in the fabrication of semiconductor devices, electronic, solar and medical equipment
- Enhanced ALD will be required due to new materials and subsequent New Processes
- Lam Research estimates that unique ALD applications will double by 2023
- Lam is forecasting a transition from “batch” processing tools to ALD single wafer Processing tools due to new material and new process requirements.
- This would include Furnace, HPCVD, SOG, Flowable CVD and PVD moving to ALD single wafer platforms
- The Pivotal STD GFC Technology is ideal for High Speed, Precision Flows associated with Enhanced ALD
- The ability to scale up the STD GFC Technology to Higher Flows (has been demonstrated)

CAGR from 2019-2024 for ALD Tools expected to be up 55%

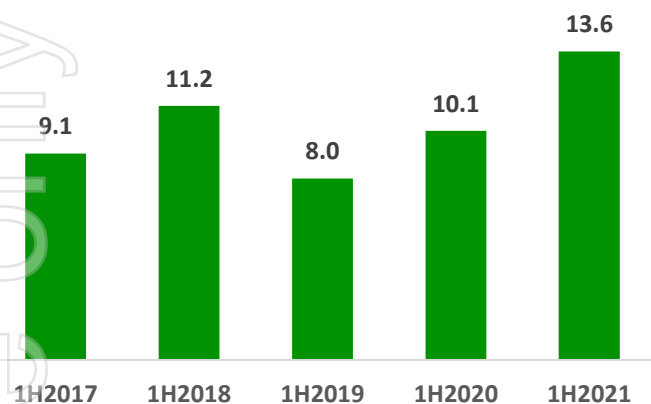
Source: VLSI Research and Pivotal Systems analysis and Lam Investor Day 2020 Presentation

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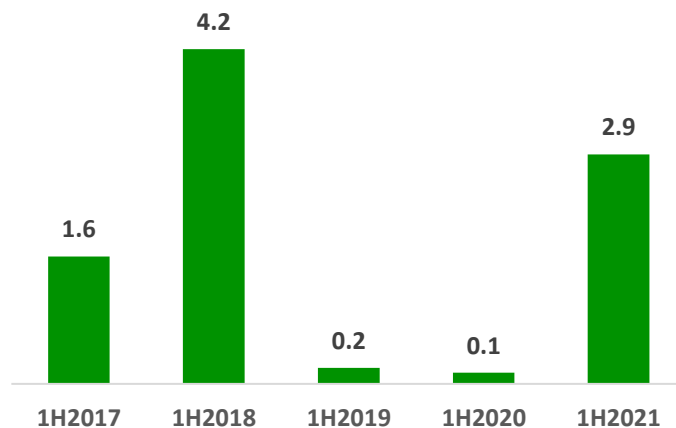
FINANCIAL RESULTS

KEY FINANCIAL METRICS

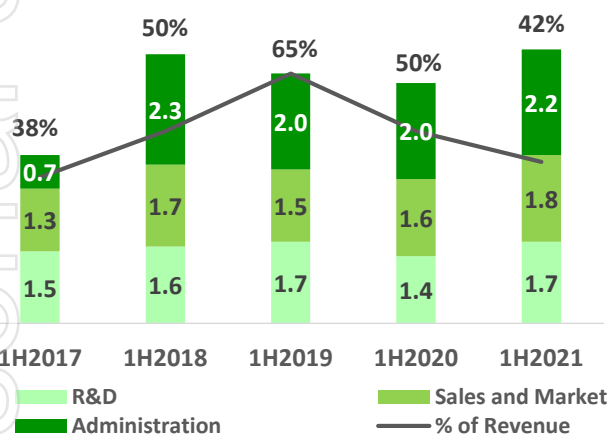
REVENUE \$M



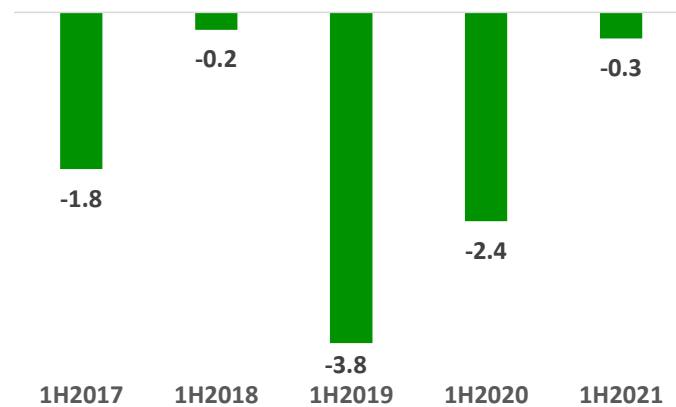
GROSS PROFIT \$M



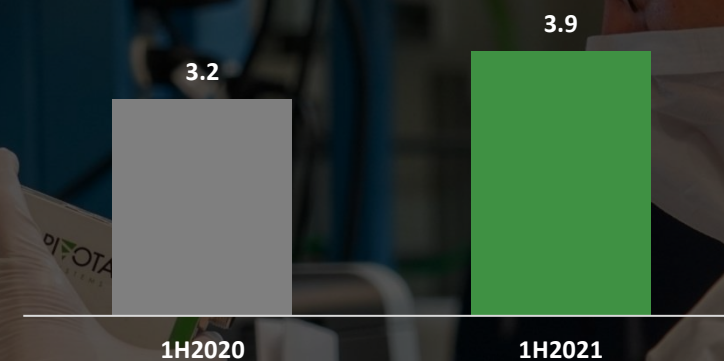
OPEX \$M



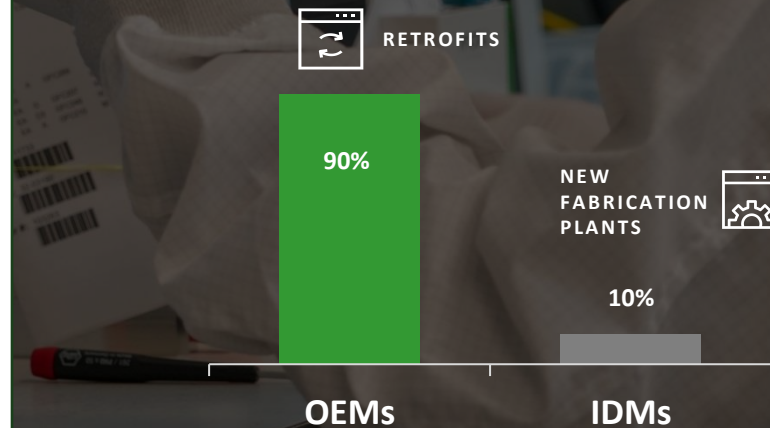
EBITDA \$M



ORDER BACKLOG \$M



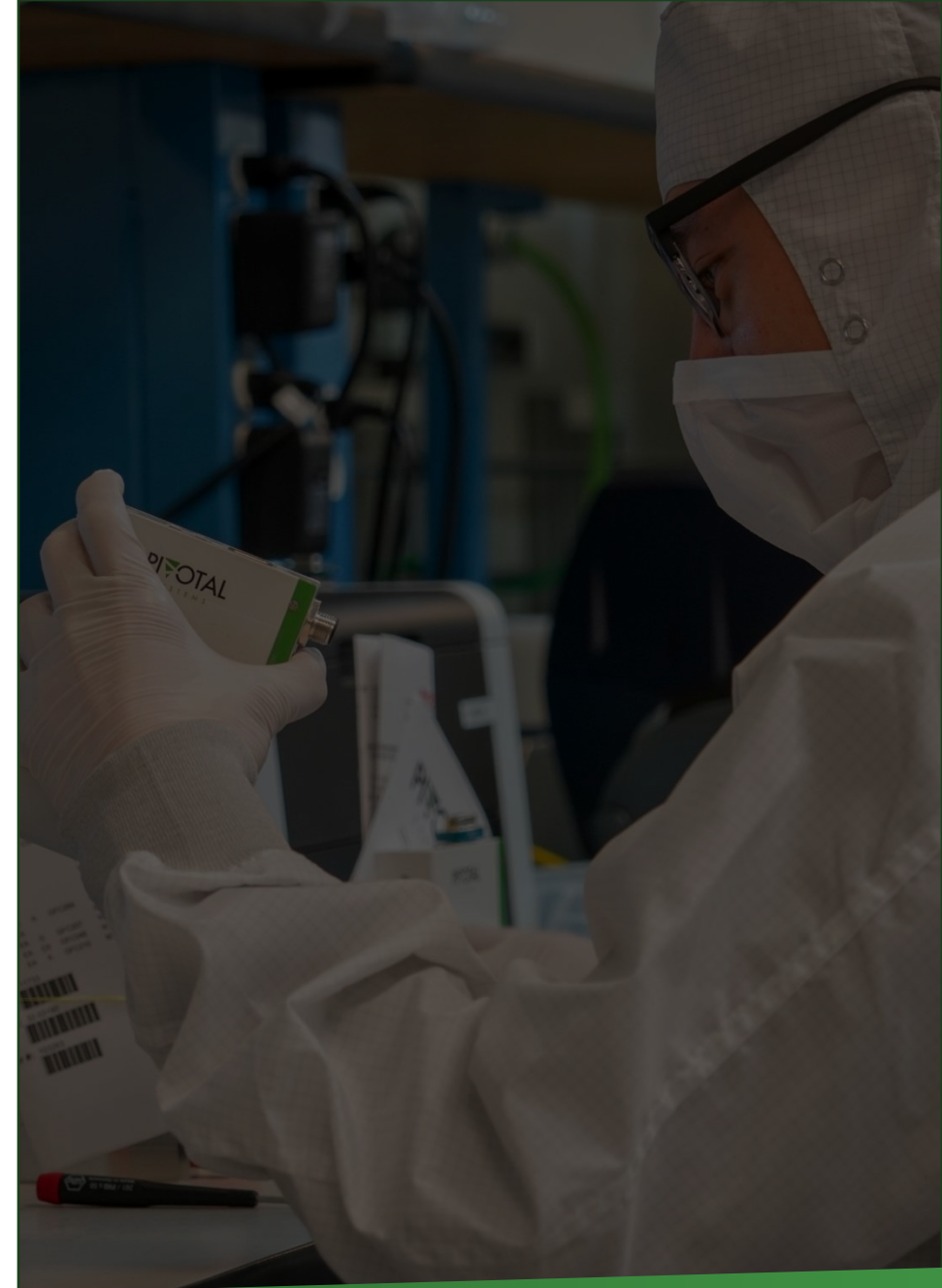
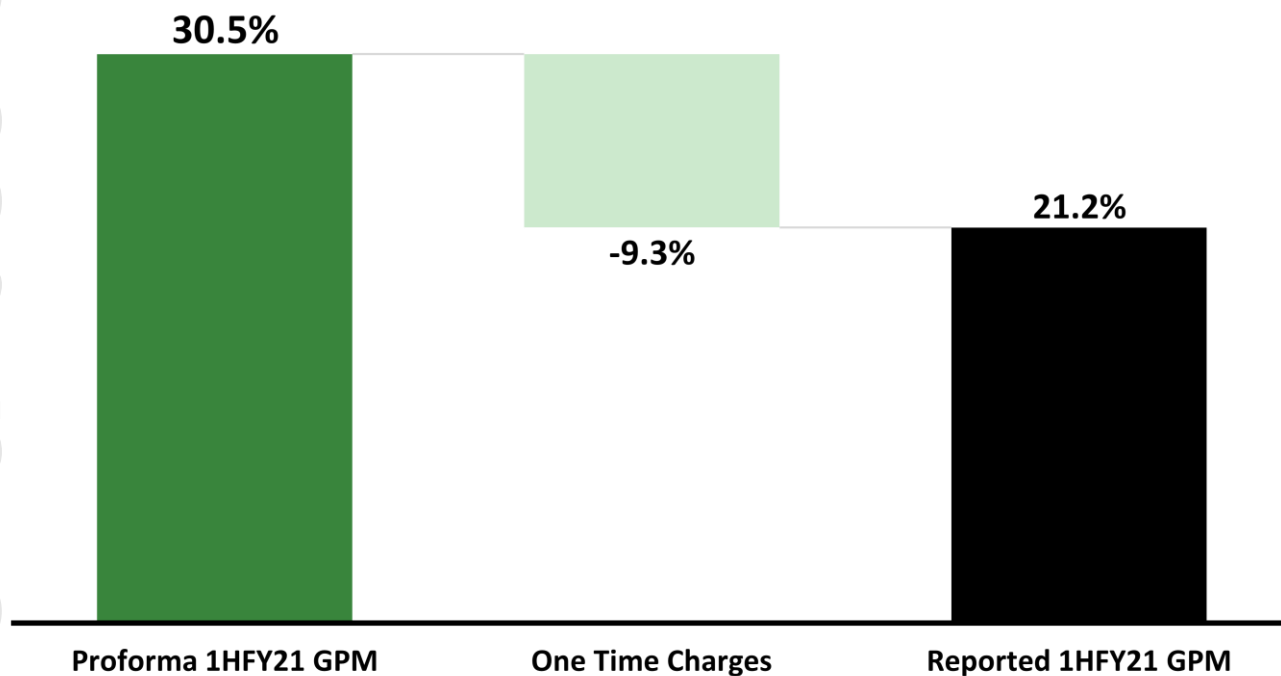
REVENUE BREAKDOWN



1H2021 GROSS PROFIT MARGIN (GPM) RECONCILIATION

REPORTED 1H GPM IMPACTED BY ONE- TIME CHARGES

- Proforma GPM of 30.5%, after adjusting for a one time charge for closing the Company's Korean legal entity and material expedite charges for componentry (**One Time Charges**)
- Reported GP of \$2.9M , up significantly from the 1H2020 (\$148K)
- Targeting GPM in mid 30% range by end of 2021



STATUTORY PROFIT AND LOSS

FINANCIAL INFORMATION	1H2020 (\$M)	1H2021 (\$M)	% change
Revenue	10.1	13.6	34.8%
Cost of goods sold	10.0	10.7	6.3%
Gross profit	0.1	2.9	1853%
Gross margin	1.5%	21.2%	
Research and Development	1.4	1.7	18.4%
Sales and Marketing	1.6	1.8	11.6%
General and Administration	2.0	2.2	7.1%
EBIT	(4.8)	(1.3)	72%
EBITDA	(2.4)	(.3)	87.5%

- Revenue increased 34.8% to \$13.6M versus the pcg of \$10.1M which reflects Pivotal's ability to continue growing market share
- Gross Profit of \$2.9M 1H2021 was up 1853% on the pcg (\$0.1M)
- Gross margin of 21.2% was up significantly on the pcg
- Total Operating expenses were \$5.7M reflecting:
 - R&D Expense was \$1.7M up by 18.4% due to capitalization of R&D costs incurred on projects that had reached technical feasibility stage during 1H2020.
 - Total R&D investment before capitalization was \$3.2M in 1H2021 versus 1H2020 was 2.5M
 - Sales and marketing expenses \$1.8M 1H2021 vs \$1.6M 1H2020 reflect increased commissions paid on higher revenues
 - General and administration expenses of \$2.2M were up 7.1% to pcg (\$2.0M)
 - Headcount declined by 3 employees to 42 employees

SUMMARY BALANCE SHEET

FINANCIAL INFORMATION	FY2020 (\$M)	1H2021 (\$M)
CURRENT ASSETS		
Cash and cash equivalents	7.5	5.5
Trade and other receivables	7.7	7.1
Inventory	8.4	7.8
Other current assets	0.3	0.4
Total current assets	24.0	20.9
NON-CURRENT ASSETS		
Intangible assets	12.0	13.4
Other non-current assets	2.1	1.6
Total non-current assets	14.1	15.0
TOTAL ASSETS	38.1	35.9
CURRENT LIABILITIES		
Trade and other payables	5.3	3.4
Financial liabilities	1.6	1.0
Other current liabilities	0.9	0.9
Total current liabilities	7.8	5.3
TOTAL LIABILITIES	9.7	6.2
EQUITY		
Contributed equity - Common	185.2	187.6
Share based payments reserve	2.9	3.3
Accumulated losses	-159.5	-161.2
TOTAL EQUITY	28.5	29.7

- As at 30 June 2021 the Company had a cash balance of \$5.5M
- In July 2021, Pivotal completed a private placement of \$6.7M; pro-forma cash position would be \$12.2M
- Inventories decreased from \$8.4M to \$7.8M due to supply chain pressure on commodity parts caused by covid & support of higher revenue in 2021
- Receivables of \$7.1M were down from \$7.7M, on a 35% increase in sales
- Payables decreased from \$5.3M to \$3.4M due to the need to pay our key vendors on a current basis.

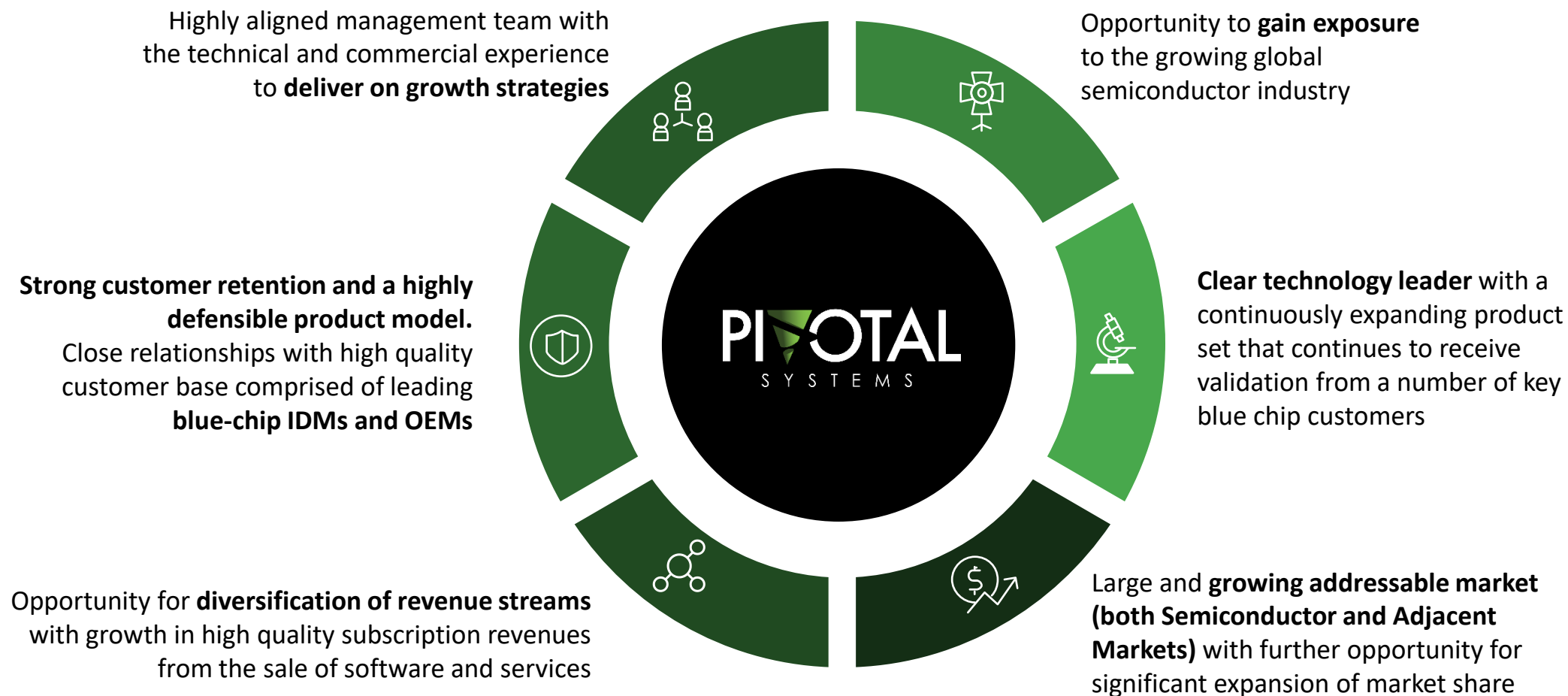
CASH FLOW

FINANCIAL INFORMATION	1H2020 (\$M)	1H2021 (\$M)
CASH FLOWS USED IN OPERATING ACTIVITIES		
Receipts from customers	9.7	14.5
Payments to suppliers and employees	-14.0	-16.6
Other cash flows from operating activities	0.0	0.0
<i>Net cash flows used in operating activities</i>	-4.3	-2.2
CASH FLOWS USED IN INVESTING ACTIVITIES		
Payments for property, plant and equipment	-0.7	0.0
Payments for capitalised research and development	-1.5	-1.4
<i>Net cash flows (used in)/from investing activities</i>	-2.2	-1.4
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from the issue of shares	10.0	3.0
Exercise of share options		0.2
Payment of share issue costs	-0.1	
Redemption of RBI Shares		-1.0
Borrowings from bank loans	0.9	
Repayment of bank loans	-0.5	-0.5
Other	-0.1	-0.1
<i>Net cash flows from financing activities</i>	10.2	1.6
Net increase / decrease in cash and cash equivalents	3.7	-2.0
Cash at the beginning of the financial period	5.4	7.5
Cash and cash equivalents at the end of the period	9.1	5.5

- Net cash outflows from operations in 1H2021 was \$2.1M versus \$4.3M in 1H2020. The primary driver of this improvement was more receipts from customers on higher revenue and inventory utilization driven by market conditions in the industry supply chain.
- Net cash outflows from investing activities was \$1.4M versus \$2.2M in 1H2020, due to payments for product development.
- Net cash inflows from financing activities of \$1.6M in 1H2021 reflects the issuance of an additional 3,000 shares of RBI preferred stock (\$3M), partially off-set by RBI redemption payments (\$1M) and repayment of bank loans (\$0.5M).

SUMMARY AND OUTLOOK

PIVOTAL SUMMARY



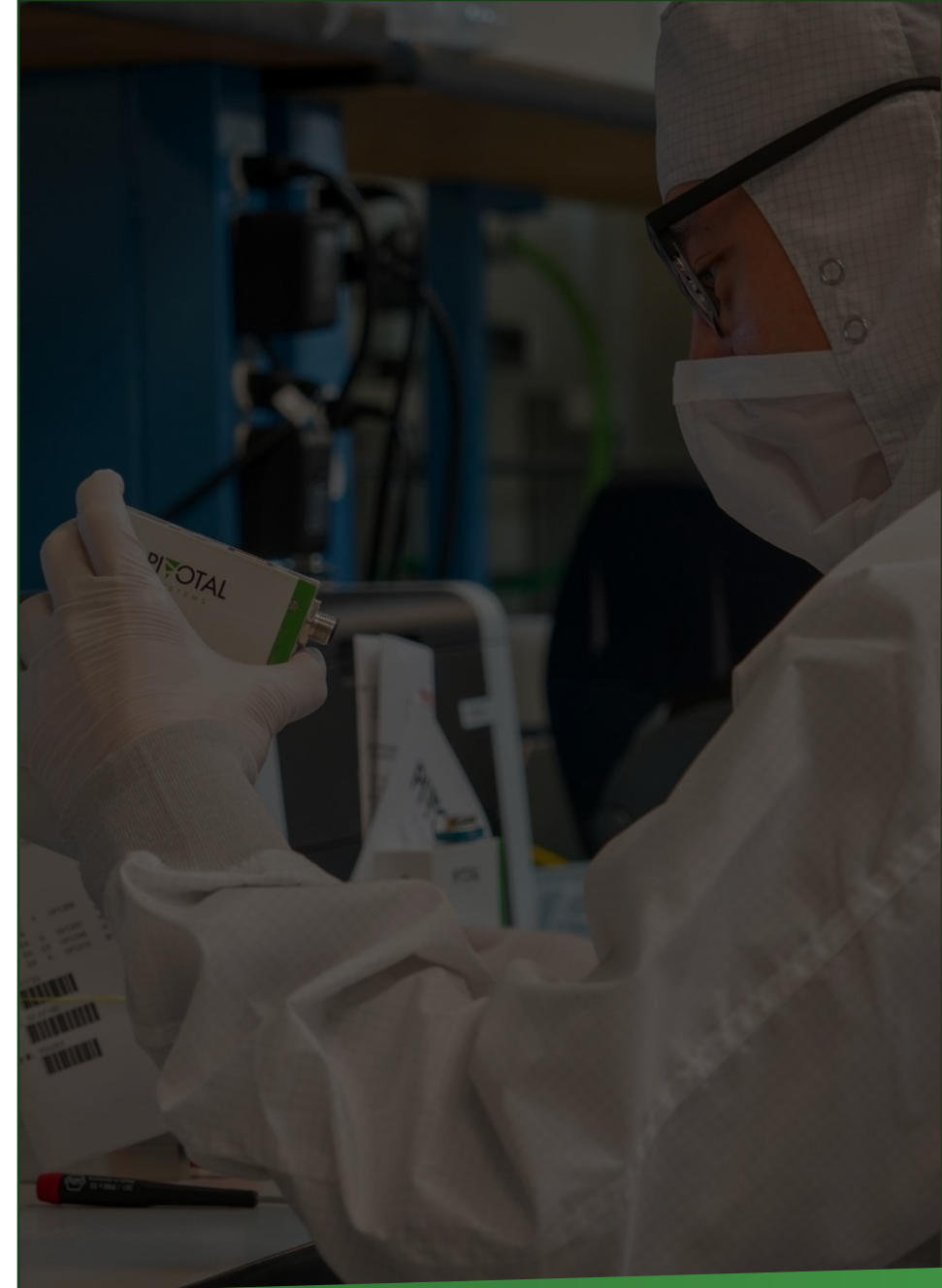
2021 OUTLOOK

CONTINUED STRONG GROWTH IN SEMICONDUCTOR MARKET IN 2021 WITH FURTHER GROWTH ANTICIPATED IN 2022

- Expectations are for overall industry growth of **30%** in 2021 and **11%** in 2022
- Forecast 2021 global semiconductor equipment sales of US\$84Bn
- The average second quarter 2021 billings growth for North American equipment manufacturers exceeded **50%** versus Q2 2020 driven by a continued structural shift in the industry marked by higher capital investments as demand for semiconductors increases

CONTINUED STRONG PRODUCT DEMAND COUPLED WITH RECENT NEW COVID-19 RESTRICTIONS BRING SUPPLY CHAIN UNCERTAINTY

- Continued strong growth in the overall semiconductor industry
- With the Company's recently announced US\$6.7M capital raise, Pivotal is well funded to meet its product and growth objectives in 2021 with client-led new product development efforts as the key catalyst for Pivotal's long term growth opportunities
- The impact of recent new COVID-19 restrictions in both Malaysia and China are causing increased uncertainty for Pivotal's printed circuit board (PCB) and electronics 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 provide updates to the market as it obtains further insights





Thank You

CONTACT US

Pivotal Systems

48389 Fremont Blvd. #100

Fremont, CA 94538, USA

+1 (510) 770-9125

www.pivotalsys.com/

INVESTORS

Dr Tom Duthy

Nemean Group

tduthy@pivotalsys.com

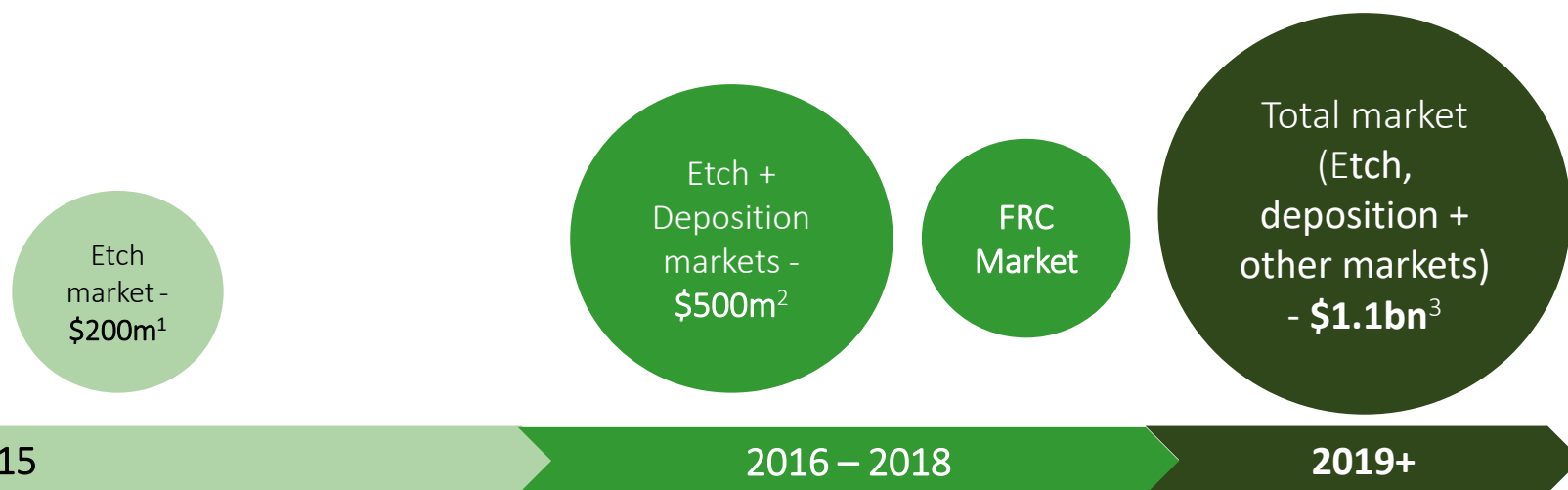
+61 (0) 402 493 727

APPENDIX A: OVERVIEW OF PIVOTAL

HISTORY OF CONTINUOUS INNOVATION



Pivotal's software-enabled products have been designed such that they can be easily modified to be used in other manufacturing processes and verticals with minimal changes to hardware required, providing significant opportunity to further grow the Company's addressable market.



Notes:

1. Market and Markets Nov-17 report estimates the market size for low flow controllers to be over \$200 million in 2017. Low flow controllers are primarily used in the Etching (Etch) application.
2. Market and Markets Nov-17 report estimates the market size for low and high flow controllers to be over \$500 million in 2017. High flow controllers are primarily used in the Deposition applications.
3. Market and Markets Nov-17 report estimates the total market size for flow controllers to be over \$1 billion in 2017. This includes the Etch, Deposition and flat panel LED applications.

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



Michael Bohn
Acting Chief Financial Officer

- >30 years of experience, across public/private co., global M&A
- Experienced VP Finance & CFO
- M.B.A from the Haas School of Business UC at 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, and leadership roles at Applied Materials, IBM, Flextronics, and Collins Aerospace
- 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.



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

BOARD OF DIRECTORS

John Hoffman

Executive Chairman and Chief Executive Officer

[See previous page](#)

Joseph Monkowski

Chief Technology Officer & Executive Director

[See previous page](#)

Kevin Landis

Non-Executive Director

Kevin is the CIO of Firsthand Capital Management, an investment management firm he founded in 1994. Kevin has over two decades of experience in engineering, market research, product management, and investing in the technology sector. Kevin holds a bachelor's degree in electrical engineering and computer science from the University of California at Berkeley and an MBA from Santa Clara University.

Ryan Benton

Independent Non-Executive Director

Ryan joined the Board in 2018 bringing over 25 years of finance, operations, and transaction experience. Ryan previously served as CFO of BrainChip Holdings Ltd (ASX: BRN) and CEO and Board Member at Exar Corporation (NYSE: EXAR), which was acquired by MaxLinear Corporation (NASDAQ: MXL) in May 2017. Previous roles included senior and consulting positions at ASM International NV (NASDAQ: ASMI), and eFunds Corporation (NASDAQ: EFDS).

David Michael

Non-Executive Director

David is Managing Director at Anzu Partners, which invests in innovative industrial technology companies. He is also a Board member of Nuburu, OTI Lumionics, Niron Magnetics, and Terapore. David was formerly Senior Partner and Managing Director of The Boston Consulting Group (BCG). He led BCG's Greater China business and their Asia Technology Practice. He served a range of clients in semiconductors, components, hardware, software, and services. He remains a Senior Advisor to the firm. David holds a B.A. in Economics from Harvard University and an M.B.A. from Stanford.

Peter McGregor

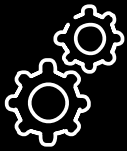
Independent Non-Executive Director

Peter has over 30 years' experience in senior finance and management roles, including having been CEO of tech company, Think Holdings, CFO of the ASX50 transport company, Asciano, and a partner in the Investment Banking firm of Goldman Sachs JBWere. He also spent time as a Managing Director within the Institutional Banking & Market division of CBA and was COO of Australian Infrastructure Fund (ASX:AIX). He holds a Commerce Degree from the University of Melbourne, is a Fellow of FINSIA and a Member of the AICD.

APPENDIX B: INDUSTRY OVERVIEW

WHAT IS THE INDUSTRY PROBLEM?

THE PRODUCTION OF SEMICONDUCTORS IS EXPENSIVE, COMPLEX, AND HIGHLY COMPETITIVE, WITH A SMALL NUMBER OF BLUE CHIP MANUFACTURERS COMPETING LARGELY ON COST AND YIELD



Wide range of production yields due to difficulty in producing *repeatable gas flows*. Yields may vary in a wide range between 85-99% of total factory output.



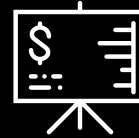
The various gases that are used in the manufacturing process can be expensive and toxic. *Wasted gas* is expensive and not good for the environment.



Gas *flow errors* in the production process lead to expensive wafer materials being scrapped and potentially lower yields on “good” wafers.



Slow machine turn-on and turn-off times (*settling times*) contribute to lower productivity and output.



Maintenance costs involved with the *manual recalibration* of competitors’ flow controllers are a double hit, labor and lost production time.



Limited gas flow *intelligence and diagnostic* capabilities.

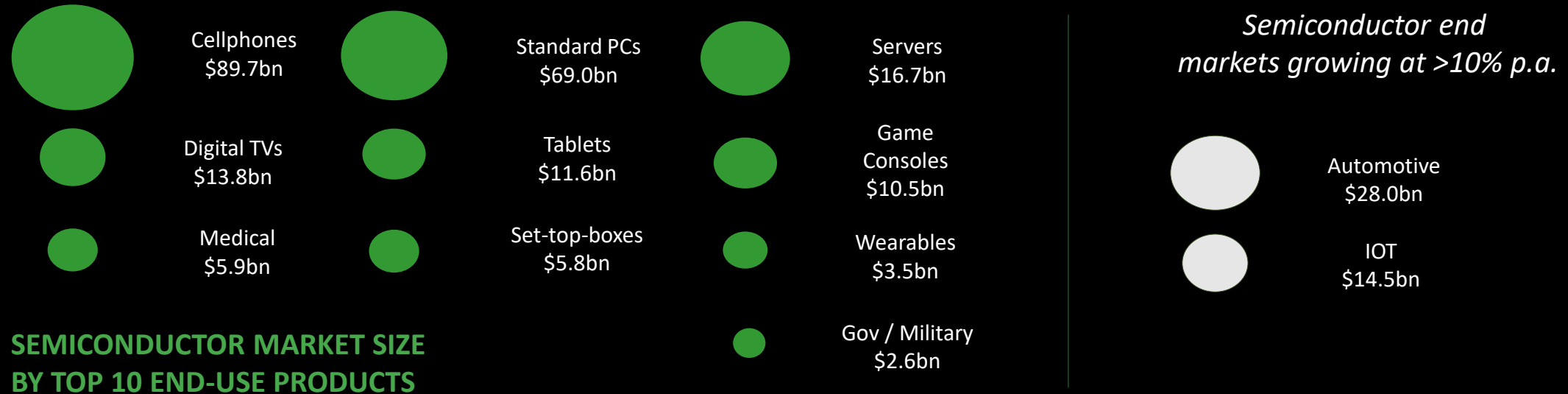


Expensive upstream and downstream *equipment (valves, regulators etc.) required to help stabilize gas flows*.

One important issue for semiconductor manufacturers is variability in gas flows.

An inability to accurately measure and control gas flows creates a range of issues for semiconductor manufacturers.

SEMICONDUCTOR END MARKETS



GLOBAL SEMICONDUCTOR MARKET AND CAPITAL EXPENDITURE

- Global growth in the Semiconductor market is driven by growth in end-use products including communication devices, personal computers, artificial intelligence, self driving vehicles and Internet of Things.
- Technology trends require increasing number of semiconductors to be used per connected device, underpinning this consistent market growth.

- The core growth catalyst of the semiconductor capital equipment market is the pipeline of new fabrication plants being constructed by IDMs as they keep pace with Moore's Law which requires the number of transistor per sq. mm of silicon to double every 1-2 years.

Source: IC Markets – 2018 McClean Report