



Roth London Conference
June 21-23, 2021
John Hoffman- Chairman & CEO

(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)
Share Price as at 11 June 2021	A\$1.33
52 week low / high	A\$0.70 / A\$1.575
Market Capitalisation ²	A\$160.1M / US\$124.9M
Cash on hand ³	US\$4.1M
NTA per share ⁴	US\$0.14
Top 20 CDI ⁵ Holders	97.5%

¹ GICS – Global Industry Classification Standard

² Based on Share price on 11 June 2021, issued capital of 120.4M (AUD/USD = 0.78)

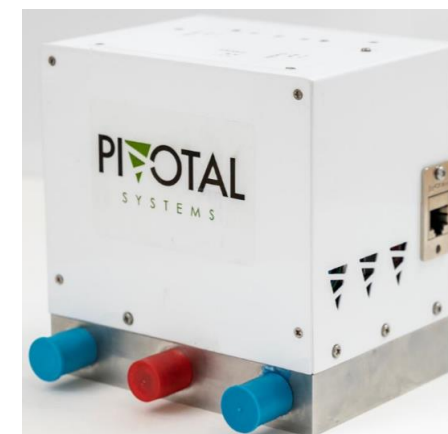
³ As at 31 March 2021

⁴ As at 31 December 2020

⁵ CDI – Chess Depository Interests (1:1 ratio with common stock) as at 11 June 2021



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



PIVOTAL SYSTEMS 2020 Review



GLOBAL LEADER IN GAS FLOW CONTROL SOLUTIONS

- **Leading** provider of innovative gas flow control solutions which are integral in the production of semiconductor devices (semiconductors)
- Pivotal's portfolio of gas flow controllers (GFCs) and Flow Ratio Controllers (FRCs) assist semiconductor manufacturers to stabilize and control the delivery of gases used to deposit or remove materials during the semiconductor manufacturing process



FINANCIAL POSITION

- Pivotal achieved record FY2020 revenues of \$22.1M, an increase of **44%** (FY2019: \$15.3M)
- Operating Loss reduced by 11.6% to \$8.8M, Q-4 Gross Margin at 29.6%
- Cash balance of \$7.5M at 31 December 2020
- Secured \$14M in new equity capital during the year



POSITIONED WITHIN MULTIBILLION DOLLAR INDUSTRY

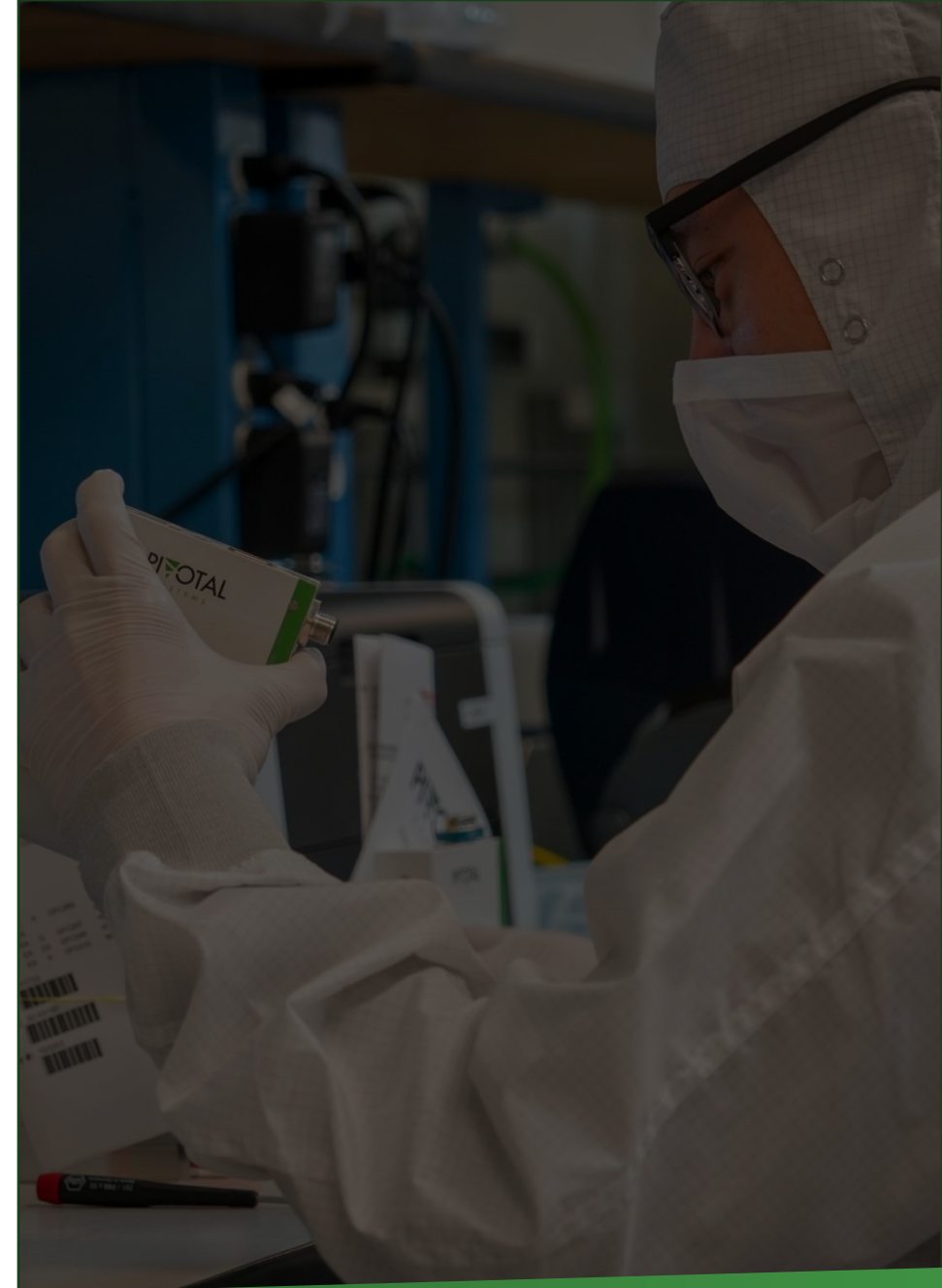
- The broader mass flow controller (MFC) market is forecast to grow to well above \$1 billion by 2022
- Pivotal's customer base includes some of the largest integrated device manufacturers (IDMs) and original equipment manufacturers (OEMs) in the world
- Opportunity for significant increase in customer penetration and expansion of overall market share

All amounts are expressed in US\$ unless otherwise indicated

Q1 2021 HIGHLIGHTS

Q1 2021 REVENUES INCREASED 46.7% VERSUS Q1 2020

- Unaudited Q1 2021 revenue of US\$6.34 million was up 5.4% sequentially (Q4 2020: US\$6.06 million) and up 46.7% from the same period a year ago (Q1 2020: US\$4.35 million)
- Unaudited Q1 2021 gross margins of 30.2% up from -3.9% in the pcp and up from 29.3% in Q4 2020
- Cash at 31 March 2021 of US\$4.1 million
- Backlog (confirmed orders not yet shipped) at 31 March 2021 was US\$4.9 million up 40% from Q4 backlog of US\$3.5 million
- Pivotal has initiated qualification of its standard GFC for etch applications at the leading Japanese OEM
- Maintained all manufacturing activity in China, Korea, and the United States during the reported period
- Semiconductor industry growth in 2021 is accelerating from previous estimates



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

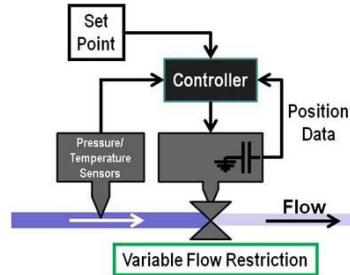
- >20 years experience in Asian markets driving increased market share and revenue
- Former Business Development Manager at KLA-Tencor



Collectively decades of experience across the semiconductor value chain

PIVOTAL'S POSITIVE POSITIONAL CONTROL TECHNOLOGY ENABLES MUCH HIGHER SPEEDS, BETTER ACCURACY, AND DYNAMIC FLOW SHAPING, RENDERING OTHER PLATFORMS OBSOLETE

Positive Positional Control GFC



Technology Direct real-time control of valve position at all times

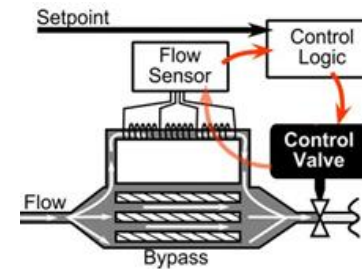
Key physical performance limitations None
Elimination of buildup enables near instantaneous response

Typical Response Speed 10 milliseconds

Verifiable Accuracy Accurate to $\pm 0.5\%$ with continuous real time verification

Dynamic Flow Shaping Yes; dynamic ability to shape the gas flow throughout the cycle

Thermal-based MFC



Metal tube, heater, thermometer to measure flow

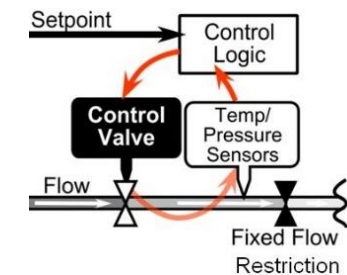
Buildup of temperature inherently limits speed

1000 milliseconds

No verification or correction possible; with inherent drift

None

Pressure-based MFC



Control of pressure upstream of a flow restrictor to control flow

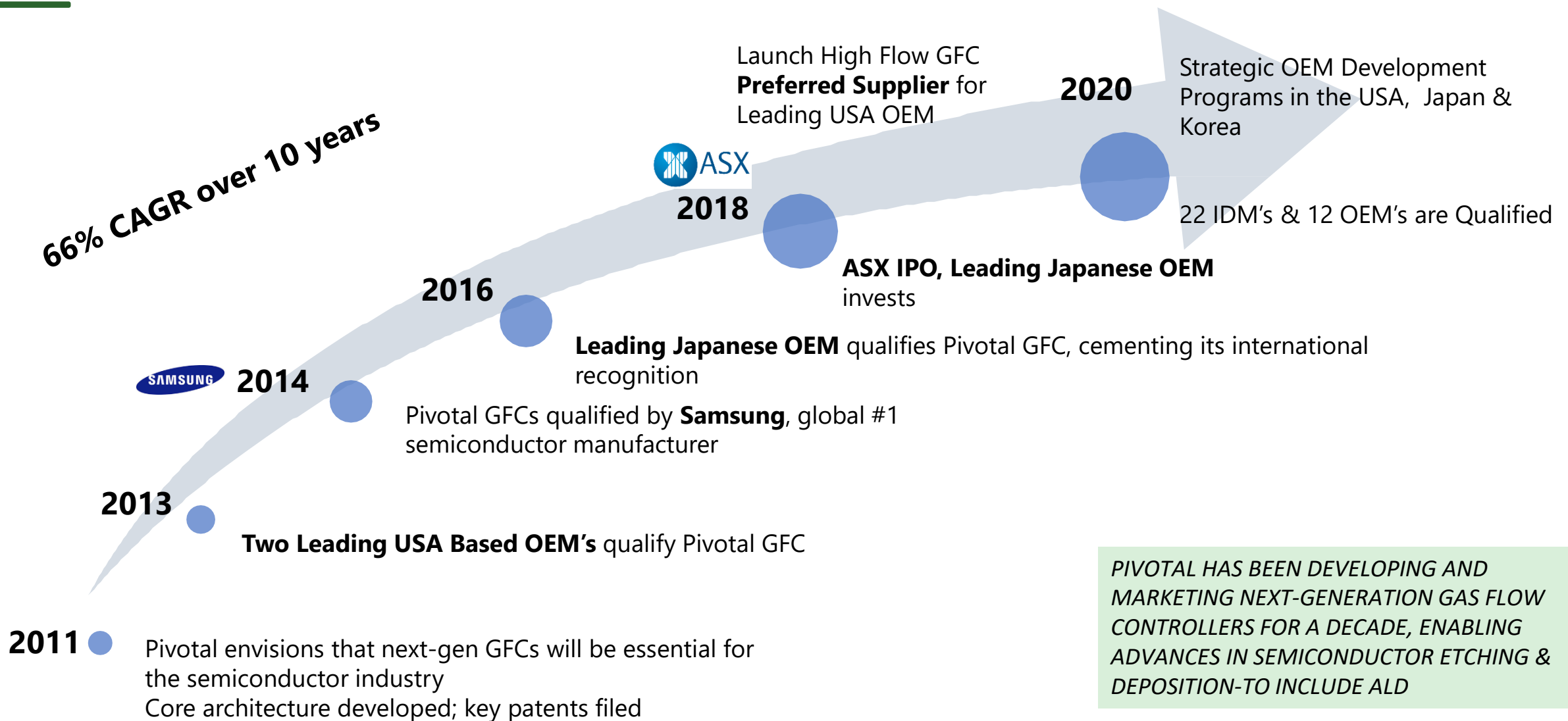
Buildup of pressure inherently limits speed

500-800 milliseconds

No correction possible, limited verification

None

A HISTORY OF DEVELOPMENT, DELIVERY & MARKET EXPANSION



MARKET OPPORTUNITY > US\$1Bn TOTAL ADDRESSABLE MARKET (TAM)

~50% of TAM IN SEMICONDUCTOR MANUFACTURING

Flow Controller Manufacturers

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



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)

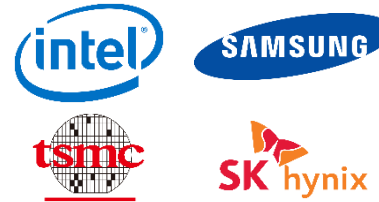
384,625
Units @ ASP of \$1,200*

\$461M
TAM by Value

16%
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

19,875
Units @ ASP of \$1,200*

\$24M
TAM by Value

16%
Est. 2020 growth

\$485M MFC TOTAL ADDRESSABLE MARKET IN 2020

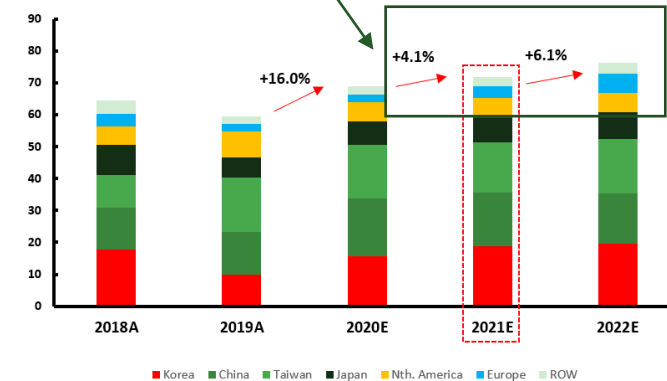
4.6% PIVOTAL IMPLIED PENETRATION @ 2020 REVENUES

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SEMICONDUCTOR CAPITAL EQUIPMENT MARKET GREW 16% IN 2020 & FORECAST TO BE EVEN STRONGER IN 2021.

Major Upgrades continued in recent months by SEMI based on recent industry trends

TOTAL SEMICONDUCTOR EQUIPMENT MARKET (US\$Bn)¹



Forecast 2021 global semiconductor equipment sales of approximately \$72Bn with wafer fabrication equipment (WFE) > 4.1% up from 2020¹.

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 revenue is set to rise 8% in 2021, with equipment sales growing 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

IDM CAPEX ANALYSIS

Est. % Share
FY21 CAPEX

33



Feb 2021: Considering US\$17 Billion Fab investment in the US (Texas)
May 2021: Announces additional US\$34 billion in new Fab spending, total of US\$152 billion by 2030

28



April 2021: US\$100 Billion capacity expansion over next 3 years

17



March 2021: US\$20 Billion to Construct 2x new fabs in Arizona

9



April 2021: Modest increase in capacity, prioritise migration to advanced technology
May 2021: 4 new fabs to cost US\$106 billion, with additional US\$97 billion into capacity expansions at existing facilities

8



April 2021: Alignment of CAPEX / supply growth with industry growth

4



1



Source: FactSet Estimates, Pivotal Systems, data as at April 2021



March 2021: US Government semiconductor support doubles to US\$50 Billion under CHIPS Act: doubles US Fabs from 9 to 18

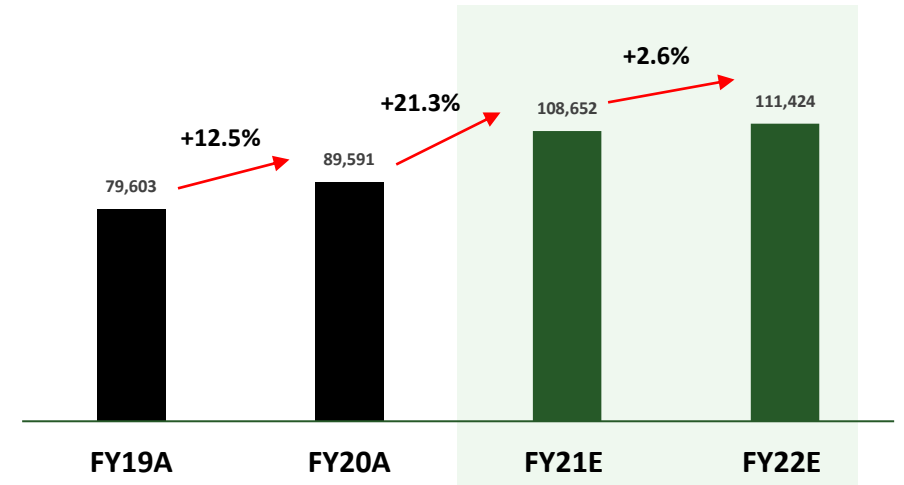


March 2021: European Union proposes to produce 20% of advanced semiconductors by 2030



May 2021: Korean government announces plans to invest US\$450 Billion (inc. Samsung & SK Hynix) & increase tax incentives for Korean semiconductor industry to 2030

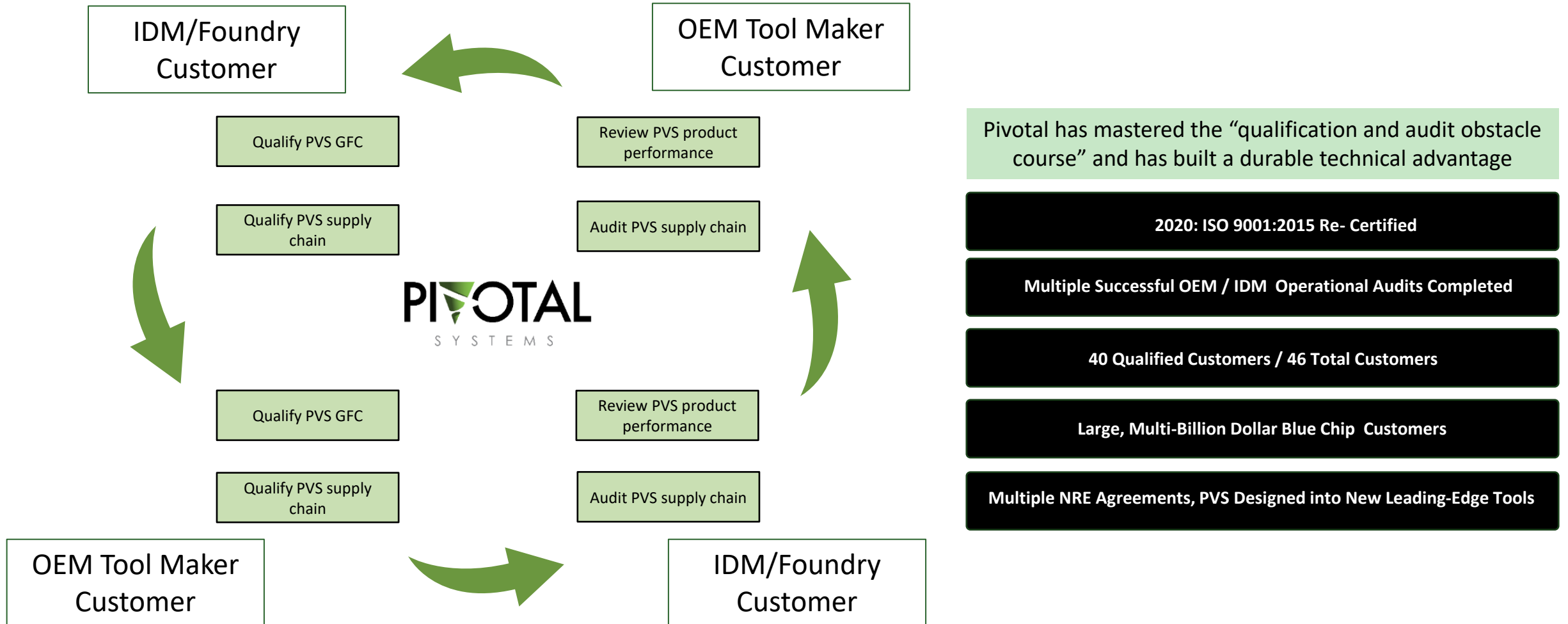
Capital Expenditure (US\$M) by Major IDM/Foundry



Source: FactSet Estimates, Pivotal Systems, data as at April 2021

Excluding Govt. Stimulus Measures

DURABLE BARRIERS TO ENTRY & HIGH SWITCHING COSTS



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.

GROWTH STRATEGIES 2021 & BEYOND



WFE sector growing. Etch and deposition are fastest-growing segments of WFE



Growing installed base of Pivotal GFCs drives recurring revenue streams

- Software upgrades
- Retrofits



Market share gains and margins are growing, as Pivotal moves from qualified to preferred to exclusive supplier



Total Addressable Market (TAM) is growing as Pivotal expands product portfolio across the WFE value chain



INCREASED MARKET SHARE

INCREASED CUSTOMERS

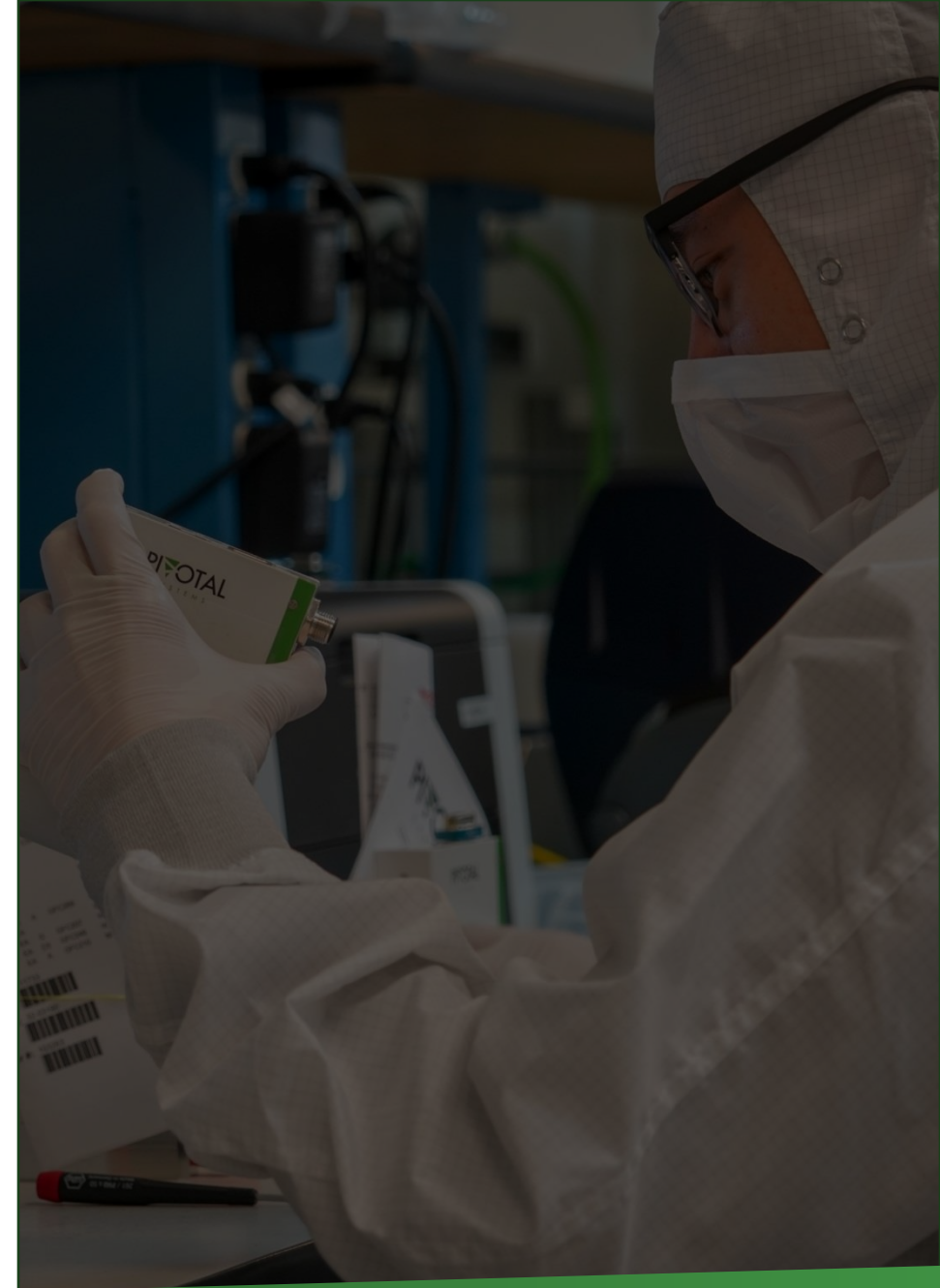
HIGH BARRIERS

SUSTAINABLE COMPETITIVE ADVANTAGE

2021 OUTLOOK

PIVOTAL EXPECTS FY2021 REVENUE GROWTH OF 35-45% OVER THE PCP

- Company has seen strengthening of the overall semiconductor industry and note global industry associations are forecasting growth to achieve record levels
- Pivotal continues to progress toward its growth goals and maintains that its client-led new product development efforts are the key catalyst for future market share gains
- Pivotal anticipates FY2021 revenues will increase from FY2020 revenues by 35-45% to US\$30-\$32 million





Thank You

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