



ASX / Media Release

US\$4 million Strategic Share Placement

Fremont, California and Sydney, Australia; 21 December 2020 – 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 it has signed a binding agreement for a US\$4.0 million strategic share placement to Viburnum Funds; an Australian high conviction, active ownership investment manager and recent investor in Pivotal. As a result of the share placement, Viburnum will hold 7.0% of ordinary share capital of the Company.

Mr John Hoffman, Chairman and CEO of Pivotal Systems commented “We are delighted to have completed this placement with Viburnum and welcome them as a substantial shareholder of the Company. The funds will provide the Company with additional financial flexibility as we seek to capitalize on the strength of the global semiconductor capital equipment market through the remainder of 2020 and into 2021 where year on year growth of 15% is anticipated and invest into the necessary manufacturing infrastructure to support new market initiatives in atomic layer deposition and etch.”

Mr Hoffman continued “In considering this placement, the Board of Directors of Pivotal considered a number of alternate financing arrangements, including debt, but the combination of a long term investor such as Viburnum coupled with the minimal dilution of funds raised, was an important determinant in completing this important capital initiative to continue our momentum into 2021. The Board is also considering additional or revised debt financing arrangements in the new year to provide further support for its anticipated growth.”

Use of Funds

The Company intends to deploy the US\$4.0 million raised in the placement into working capital principally to fund higher inventory based on an expected increase in product demand from customers, along with capital expenditures related to additional tooling required to manufacture Pivotal’s next generation gas flow controllers (GFCs) to service the fast-growing atomic layer deposition and etch (ALD/ALE) markets.

Placement

The placement consists of the issue of 6,124,786 new Chess Depository Interests (CDIs) at an issue price of A\$0.86 per CDI, representing an 8.26% discount to the volume weighted average price (VWAP) of Pivotal CDIs traded on ASX for 10 days up to and including 18 December 2020 and a 9.47% discount to the last traded price of \$0.95 on 18 December 2020. The placement will raise gross transaction proceeds of A\$5,267,316 representing US\$4,000,000 based on the AUD/USD exchange rate as quoted by the Reserve Bank of Australia as at 18 December 2020.

The placement will be conducted using the Company’s available placement capacity under ASX Listing Rule 7.1 and will therefore not require shareholder approval.

Pivotal Systems Corporation
ARBN 626 346 325
48389 Fremont Blvd. Suite 100, Fremont, CA, 94538
Phone +1 (510) 770 9125, Fax +1 (510) 770 9126
Web / <https://www.pivotalsys.com>

Timetable

The timetable for the Placement is highlighted in the table below. All dates are indicative and subject to change within the ASX Listing Rules.

Event	Date (2020)(AEDT)
ASX Announcement - Placement	21 December
Settlement of Placement Proceeds	23 December
Allotment of Placement CDIs on ASX	23 December
Commencement of normal trading of Placement CDIs on ASX	23 December

THIS RELEASE DATED 21 DECEMBER 2020 HAS BEEN AUTHORISED FOR LODGEMENT TO ASX BY THE BOARD OF DIRECTORS

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For further information, interview and photos:

Investor Relations & Media (Australia):

Dr Thomas Duthy
Nemean Group
tduthy@pivotalsys.com
+61 402 493 727

Media Contact (US):

Pia Brandt
ANZU Partners
pjb@anzupartners.com

ASX Representative:

Danny Davies
Company Matters Pty Ltd
davies@companymatters.com.au

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/>.



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' CHES Depository 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 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.