



ASX / Media Release

Trading Update & Quarterly Investor Conference Call Notification

Fremont, California and Sydney, Australia; 20 January 2020 — Pivotal Systems Corporation (“Pivotal” or the “Company”) (ASX: PVS), today provides a trading update and preliminary unaudited second half revenues for the period ended 31 December 2019 along with details of the December quarter Appendix 4C Cash Flow Report and Management Quarterly Update.

Unaudited second half revenues are expected to be approximately US\$7.3 million, resulting in Pivotal’s full year revenues for the year ended 31 December 2019 of approximately US\$15.3 million (FY2018: US\$20.2 million).

Unaudited fourth quarter revenues of US\$6.4 million were up significantly on the third quarter, driven by an overall increase in demand for Pivotal’s proprietary range of gas flow controllers (GFCs). This was driven by original equipment manufacturers (OEMs) increasing inventory levels as the semiconductor capital equipment sector cycle continues to rebound from an overall sector decline experienced throughout most of 2019.

A combination of existing and new customers resulted in the Company achieving bookings (new orders) during the quarter of US\$5.1m. Total customer qualifications increased 24% versus the prior corresponding period (pcp) to 31 at the end of 2019. Pivotal is now qualified at all three of the major OEMs for either etch or deposition.

Fourth quarter revenues were impacted by approximately US\$0.825 million due to a shipment of Pivotal GFCs being shipped from a third-party contract manufacturer to Pivotal later than the committed shipment date. During the quarter, Pivotal experienced an increase in lead times from its contract manufacturer as their end customer demand also increased. Revenue from the delayed shipments were subsequently recognized in January 2020.

New product development continued to be a focus for Pivotal, with leading-edge products including the high flow GFC and flow ratio controller (FRC) experiencing solid customer interest and conversion to sales during the December quarter. Pivotal expects to launch its new two channel FRC in the first half of 2020.

Pivotal will provide further details of the fourth quarter operating activities along with product development and customer initiatives with the December quarter Appendix 4C Cash Flow Report and Management Quarterly Update on Friday, 31 January 2020.

Immediately following the release, the Company will host an investor conference call at 9.00am AEDT on Friday, 31 January (2.00pm PST on Thursday, 30 January) with Mr. John Hoffman, Chairman and CEO and Mr. Timothy Welch, CFO.

Details of the call are set out below.

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In order to pre-register for the conference call and avoid a queue when calling, please follow the link below. You will be given a unique pin number to enter when you call which will bypass the operator and give you immediate access to the event.

<https://s1.c-conf.com/diamondpass/10003491-invite.html>

Alternatively, you may dial in with the following details, shortly before the scheduled start time and provide the Conference ID to an operator.

Conference ID: **10003491**

Participant Dial-in Numbers:

Australia Toll Free: 1800 908 299
Australia Local: +61 2 9007 8048
New Zealand: 0800 452 795
Canada/USA: 1855 624 0077
Hong Kong: 800 968 273
Japan: 006 633 868 000
China: 108 001 401 776
Singapore: 800 101 2702
United Kingdom: 0800 0511 453

THIS RELEASE DATED 20 JANUARY 2020 HAS BEEN AUTHORISED FOR LODGEMENT TO ASX BY THE BOARD OF DIRECTORS OF PIVOTAL SYSTEMS.

- ENDS -

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If investors wish to subscribe to Pivotal Systems' email alert service for ASX Announcements, please follow this [link](#).

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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 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. Pivotal Systems Corporation (ARBN 626 346 325), is a company incorporated in Delaware, USA, whose stockholders have limited liability.