

Quantum Announces the Next Steps of its Debt Reduction Initiative

SAN JOSE, Calif.--(BUSINESS WIRE)-- Quantum® Corporation (Nasdaq: QMCO) ("Quantum" or the "Company"), a leader in solutions for AI and unstructured data, today announced of its entry into a Standby Equity Purchase Agreement (the "SEPA") an investment fund managed by Yorkville Advisors Global, LP ("Yorkville").

Transaction Summary:

- Access to additional equity capital and liquidity with discount fees of 3% and 4%
- Limited initially to 1.15 million shares, remainder requires shareholder approval
- Three years to access full amount with 100% at Company's discretion
- Covenant relief during the process to reduce its debt

"This strategic financial partnership provides Quantum with the flexibility to support our ongoing operations and accelerate our growth initiatives," said Jamie Lerner, CEO of Quantum. "We have solidified access to significant capital, which, over time, will be used to strengthen our balance sheet and enable us to focus on executing our vision of revolutionizing data management solutions for the AI industry."

Mr. Lerner continues, "Quantum has made substantial efforts over the last year to improve our operational and financial health through a combination of revenue and margin improvement plans, financial and organizational restructuring, and cost reduction initiatives. In addition, we have been exploring several strategic alternatives to pay down our currently outstanding debt, which would also help to lower our cost structure, including lowering the interest expense and other fees the Company has incurred. These actions combined with improving our operating free cash flow, strengthen Quantum for its future success."

The Company's agreement with Yorkville is initially limited to 19.99% of outstanding shares, or no more than 1,157,139 shares of common stock of the Company under the Purchase Agreement until shareholder approval is obtained. The Company intends to strategically use the SEPA to raise capital as desired, drawing on the available amount based on market conditions and business opportunities. Pursuant to the terms of the SEPA, the Company has the right, but not the obligation, to issue up to \$200 million of shares of the Company's common stock at any time during the three-year period following the execution date of the SEPA, subject to certain customary conditions. There is no obligation to utilize any portion available under the SEPA, and the Company retains control over both timing and volume. The SEPA does not impose any material restrictions on the Company's operational activities. The per share price Yorkville will pay for the shares will be dependent on the one- or three-day pricing period elected by the Company at a discount of either 3% or 4%, as provided for in the SEPA. The Company expects that any proceeds received from such sales to Yorkville will be used for working capital and general corporate purposes, including the repayment of debt.

The securities described herein have not been registered under the Securities Act of 1933, as amended, and may not be sold in the United States absent registration or an applicable exemption from the registration requirements. A registration statement relating to the resale of the securities to be issued under the SEPA will be filed with the Securities and Exchange Commission and these securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

About Quantum

Quantum delivers end-to-end data management solutions designed for the AI era. With over four decades of experience, our data platform has allowed customers to extract the maximum value from their unique, unstructured data. From high-performance ingest that powers AI applications and demanding data-intensive workloads, to massive, durable data lakes to fuel AI models, Quantum delivers the most comprehensive and cost-efficient solutions. Leading organizations in life sciences, government, media and entertainment, research, and industrial technology trust Quantum with their most valuable asset – their data. Quantum is listed on Nasdaq (QMCO).

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Forward-Looking Information

The information provided in this press release may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (“Exchange Act”). These forward-looking statements are largely based on our current expectations about future events and financial trends affecting our business. Such forward-looking statements include, in particular, statements related to: expected usage under the Purchase Agreement, including amount and use of proceeds; the anticipated benefits of the Purchase Agreement, including helping lower our cost structure, lowering interest expense and other fees; and our focus and strategy.

These forward-looking statements may be identified by the use of terms and phrases such as “anticipates”, “believes”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “plans”, “projects”, “targets”, “will”, and similar expressions or variations of these terms and similar phrases. Additionally, statements concerning future matters and other statements regarding matters that are not historical are forward-looking statements. Investors are cautioned that these forward-looking statements relate to future events or our future performance and are subject to business, economic, and other risks and uncertainties, both known and unknown, that may cause actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements.

These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, including without limitation, the following: risks related to the need to address the many challenges facing our business; the impact

macroeconomic and inflationary conditions on our business, including potential disruptions to our supply chain, employees, operations, sales and overall market conditions; the competitive pressures we face; risks associated with executing our strategy; the distribution of our products and the delivery of our services effectively; the development and transition of new products and services and the enhancement of existing products and services to meet customer needs and respond to emerging technological trends; estimates and assumptions related to the cost (including any possible disruption of our business) and the anticipated benefits of restructuring plans and utilization of the Purchase Agreement; the outcome of any claims and disputes; the ability to meet stock exchange continued listing standards; risks related to our ability to implement and maintain effective internal control over financial reporting in the future; and other risks that are described herein, including but not limited to the items discussed in “Risk Factors” in our filings with the Securities and Exchange Commission (the “SEC”), including our Annual Report on Form 10-K filed with the Securities and Exchange Committee on June 28, 2024, and any subsequent reports filed with the SEC. We do not intend to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

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