

Quantum Announces Agreement to Acquire Western Digital's ActiveScale Business

ActiveScale Object Storage Product Line Bolsters Quantum's Industry-Leading Portfolio for Managing Video and Unstructured Data

SAN JOSE, Calif., Feb. 3, 2020 /PRNewswire/ -- Quantum Corporation (NASDAQ: QMCO) today announced it has entered into an agreement with Western Digital Technologies, Inc., a subsidiary of Western Digital Corp. (NASDAQ: WDC), to acquire its ActiveScale™ [object storage](#) business. The addition of the ActiveScale product line and talent brings object storage software and erasure coding technology to Quantum's portfolio, and enables the company to expand in the object storage market. The acquisition demonstrates Quantum's commitment to innovation and growth, extending the company's leadership role in storing and managing video and unstructured data using a software-defined approach. Quantum and Western Digital are committed to executing a smooth transition for customers and key stakeholders, with Quantum providing post-closing continued support for ActiveScale products and a strong commitment to invest in - and enhance - the ActiveScale product line.

The transaction is expected to close by March 31, 2020, subject to the satisfaction of customary closing conditions. Financial terms of the transaction were not disclosed. Quantum expects the initial financial impact of the transaction to be neutral to slightly accretive to current business operations and additional guidance will be provided with the release of the fiscal Q4 2020 financial results.

Object Storage and Erasure Coding; Key Technologies for Managing Video and Unstructured Datasets

Video and other forms of unstructured data are growing exponentially in every industry. IDC forecasts this type of data will represent over 80% of all the world's data by 2022*.

Examples of this unstructured data include video and images for entertainment, surveillance and security, marketing and training, and more. In addition, industries like genomics research, advanced driver assistance systems, geospatial exploration, and more are generating huge amounts of similar data. This content requires high-speed capture and processing (typically done with a file system like StorNext®), then is generally retained for many years or decades.

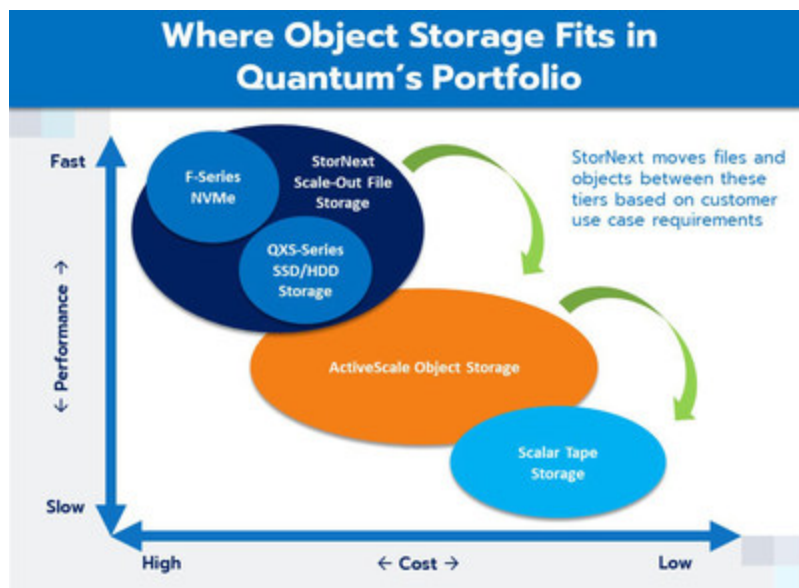
Object storage software has a number of attributes that make it particularly well-suited for a wide range of datasets:

- **Massive Scalability:** Store, manage and analyze billions of objects, and exabytes of capacity.
- **Highly Durable and Available:** ActiveScale object storage offers up to 19 nines of data durability using patented erasure coding protection technologies.

- **Easy to Manage at Scale:** Because object storage has a flat namespace (compared to a hierarchical file system structure) managing billions of objects and hundreds of petabytes of capacity is easier than using traditional network attached storage. This reduces operational expenses.

Customers Increasingly Rely on Object Storage Software for Active Archives

Quantum has a history of success delivering object storage and has been selling and supporting the ActiveScale product line for over five years. Object storage can be used as an active-archive tier of storage – where StorNext file storage is used for highest performance ingest and processing of data, object storage acts as lower cost online content repository, and tape acts as the lowest cost cold storage tier, as shown in the diagram below.



In a diverse range of industries spanning media and entertainment, genomics and life sciences, autonomous vehicle research, and university research, ActiveScale can serve a number of use cases:

- **Object storage in media production:** Object storage is used as a long-term content repository for video content, in movie and TV production, in sports video, and even for large corporate video departments. Customers in movie and TV production require very high performance ingest, edit, processing, rendering of their video files, which typically is done with a file system like StorNext. Once content is finished, it is preserved in an object store, with StorNext data management handling the data movement between file and object tiers.
- **Object storage for enterprise archiving and long-term retention:** As object storage has matured, all leading backup applications can now backup data to an object target, and enterprise IT departments are looking at object storage as a long-term content repository.
- **Object storage for genomics and life sciences:** Genomics sequencing and other life sciences research generates a massive amount of data, that must be processed and analyzed quickly (typically with a clustered file system like StorNext), then archived on object storage.
- **Object storage for video surveillance:** Object storage is also used as a tier for multi-

petabyte surveillance infrastructure. Video is typically captured and recorded on higher-performance servers, then archived on object storage.

To serve the needs of these use cases and others, Quantum StorNext is certified with many leading public and private object stores today. With the addition of the ActiveScale product line, Quantum will remain committed to maintaining an open ecosystem of certified third-party object stores, with StorNext providing the ability to move data to these third-party object tiers.

Supporting Quotes

"As Quantum returns to a growth path, we will be evaluating strategic acquisitions that bolster our technology portfolio," says Jamie Lerner, President and CEO, Quantum. "Object storage software is an obvious fit with our strategy, our go-to-market focus, and within our technology portfolio. We are committed to the product, and to making ActiveScale customers successful, and we look forward to engaging with them to solve their most pressing business challenges around storing and managing unstructured data. With the addition of the engineers and scientists that developed the erasure-coded object store software, we can deliver on a robust technical roadmap, including new solutions like an object store built on a combination of disk and tape."

"With Quantum's resources, technical expertise and focus on solving customers' challenges with managing video and other unstructured data, we believe ActiveScale will enable new value for customers," said Phil Bullinger, senior vice president and general manager of Western Digital's Data Center business. "Western Digital and Quantum are each committed to continuity of support for existing ActiveScale customers."

Additional Resources

- To learn about Quantum Object Storage Solutions:
<https://www.quantum.com/en/products/object-storage/>
- *IDC Vendor Spotlight, sponsored by Quantum, "Managing Unstructured Data Growth Requires a Fresh Approach", January 2020. To download visit:
<https://www.quantum.com/globalassets/documents/idc-vendor-spotlight.pdf>

About Quantum

Quantum technology and services help customers capture, create and share digital content – and preserve and protect it for decades. With solutions built for every stage of the data lifecycle, Quantum's platforms provide the fastest performance for high-resolution video, images, and industrial IoT. That's why the world's leading entertainment companies, sports franchises, researchers, government agencies, enterprises, and cloud providers are making the world happier, safer, and smarter on Quantum. See how at www.quantum.com.

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Forward-Looking Statements

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The logo for Quantum, featuring the word "Quantum" in a bold, blue, sans-serif font. A registered trademark symbol (®) is located at the end of the word.

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