



Qualstar Corporation Announces Corporate Update Including Intentions to Pursue Acquisitions of Companies in the Data Management Software and Hardware Systems Spaces

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IRVINE, CA – (PR Newswire) – Qualstar Corporation (OTC Markets: QBAK), a leading manufacturer of data storage solutions and high-efficiency power supplies, today announced its corporate update including its intentions to pursue acquisitions of companies in the data management software and hardware systems spaces.

The Qualstar (OTC: QBAK) Advantage

- Well established and known brand in the data storage industry.
- Highly scalable automated magnetic tape libraries used to store, retrieve, and manage electronic data primarily in a network computing environment.
- Data storage solutions that scale with the demands of businesses.
- Growing global customer base throughout North America, South America, Europe, and Asia.
- Strong financials with no debt and a track record of profitability.
- N2Power subsidiary designs and manufactures ultrasmall, high-efficiency open-frame power supplies.

Our Market

The data storage market is projected to grow from \$57 billion in 2022 to \$150 billion in 2032.¹ Qualstar Corporation (OTC: QBAK) is focused on being a global leader throughout the industry, addressing the growing demands of the datasphere which is expected to increase from 33 zettabytes to 175 zettabytes by 2025².

Data stored on tape libraries is reliably stored, managed, and accessible, making it an ideal solution for the growing demands of the data storage industry. Tape storage maintains data integrity for up to 30 years and can be air-gapped, making it more secure from cyberattacks and ransomware. Compared to hard drives, optical data storage devices and other storage alternatives, tape is still the most cost-effective data storage solution on a TCO (total cost of ownership) basis.

Company History and Future

Founded in 1984 in Southern California, Qualstar has established a reputation for excellent service and high-quality reliable products, offering a full range of tape libraries in various sizes and configurations being used by customers in a wide range of industries, including media & entertainment, oil & gas, government & military, education, IT, medical imaging, banking, surveillance, and data storage centers.

Leveraging off 40 years of continued success in the hardware space, Qualstar is pursuing expansion opportunities in the data management software and hardware spaces through acquisitions and partnerships. With thousands of active machines being used throughout the data storage industry, Qualstar intends to expand its products and service offerings by providing software solutions in addition to tape libraries supported by IBM LTO drives, reaching new customers, expanding the business, and increasing profit margin.

*Current price	\$6.25	2023	2022
*Market Cap	\$9.04M	Revenue	\$10.6M
**Shares Outstanding	1,447,122	Gross Profit	\$9.8M
**Float	383,832	Gross Margin	\$3.0M
**Cash	\$2.3M	Net Income	30.9%
			30.4%
			\$191K
			\$55K

*As of July 8, 2024 **As of June 30, 2024

1. Global Market Insights, *Next Generation Data Storage Market* (2023) <https://www.gminsights.com/industry-analysis/next-generation-data-storage-market>

2. IDC, *Data Age 2025* (2018)

Safe Harbor / Forward-Looking Statements

This investment summary contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, Qualstar's views on future financial and operating performance and growth in the markets served by Qualstar's products, and future product initiatives, and are generally identified by phrases such as "thinks," "anticipates," "believes," "estimates," "expects," "intends," "plans," and similar words. Forward-looking statements are not guarantees of future performance and are inherently subject to uncertainties and other factors which could cause actual results to differ materially from the forward-looking statement. These statements are based upon, among other things, assumptions made by, and information currently available to, management, including management's own knowledge and assessment of Qualstar's industry, R&D initiatives, competition and capital requirements. Other factors and uncertainties that could affect the Qualstar's forward-looking statements include, among other things, the following: our ability to develop and commercialize new products; industry and customer adoption and acceptance of our new products; our ability to increase sales of our products; the rescheduling or cancellation of customer orders; unexpected shortages of critical components; unexpected product design or quality problems; adverse changes in market demand for our products; increased competition and pricing pressure on our products; a decrease in the quality and/or reliability of our products; protection of our proprietary intellectual property; competition by alternative sophisticated as well as generic products; continued availability of raw materials for our products at competitive prices; disruptions in our manufacturing facilities; risks of international sales and operations including fluctuations in exchange rates; compliance with regulatory requirements applicable to our manufacturing operations; and customer concentrations. Qualstar undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.