



## Qualstar Corporation Reports Preliminary Financial Results for the 2023 Fourth Quarter and Fiscal Year

### Net Income Increased By 247% Year Over Year

IRVINE, Calif., Feb. 14, 2024 /PRNewswire/ — Qualstar Corporation (OTC Markets: QBAK), a leading manufacturer of data storage solutions and high-efficiency power supplies, today announced certain preliminary unaudited financial results for the quarter and year ended December 31, 2023.

#### Consolidated Financial Highlights (Unaudited)

(Amounts in thousands except per share data and percentages)

Consolidated Financial Results	Three Months Ended December 31,				Year Ended December 31,			
	2023	2022	\$ Δ	% Δ	2023	2022	\$ Δ	% Δ
Revenues	\$ 3,404	\$ 2,826	\$ 578	20.5%	\$ 10,616	\$ 9,845	\$ 771	7.8%
Gross profit	\$ 1,213	\$ 947	\$ 266	28.1%	\$ 3,280	\$ 2,995	\$ 285	9.5%
Gross margin	35.6%	33.5%			30.9%	30.4%		
Income from operations	\$ 310	\$ 227	\$ 83	36.6%	\$ 140	\$ 92	\$ 48	52.2%
Net income	\$ 320	\$ 274	\$ 46	16.8%	\$ 191	\$ 55	\$ 136	247.3%
Earnings per share	\$ 0.21	\$ 0.16	\$ 0.05	31.3%	\$ 0.12	\$ 0.03	\$ 0.09	300.0%

#### Key Highlights:

- Third consecutive year of revenue growth, with a compound annual growth rate of 9.5% since 2020
- In 2023, Qualstar repurchased 182,570 shares of its common stock at an average price of \$2.86, in addition to 325,940 shares repurchased from 2021 to 2022
- The company has no debt and a net book value of \$3.46 per common share
- Committed to organic growth through ongoing product and sales expansion
- Seeking strategic acquisitions

“We are pleased with our preliminary 2023 financial results and believe we are well-poised for future success,” said Mr. Steven N. Bronson, CEO of Qualstar Corporation. Mr. Bronson added, “We also have recently engaged an independent auditor to perform audits of our 2022 and 2023 financial statements as part of our consideration to list our common stock on a securities exchange and to provide better access to the capital markets.”

Qualstar plans to release its complete fourth quarter and full year 2023 audited financial results in April 2024.

Qualstar makes available its annual financial statements, quarterly financial statements, and other significant reports and amendments to such reports, free of charge, on its website as soon as reasonably practicable after such reports are prepared. Please visit [www.qualstar.com](http://www.qualstar.com) to view the Company’s financial results in more detail.

#### About Qualstar Corporation

Qualstar Corporation, founded in 1984, manufactures and markets data storage system products and compact, high efficiency power solutions.

Our data storage systems are marketed under the Qualstar™ brand and include highly scalable automated magnetic tape libraries used to store, retrieve and manage electronic data primarily in the network computing environment. Our products, sold through resellers, system integrators and OEMs, range from entry-level to enterprise and are a cost-effective solution for organizations requiring backup, recovery and archival storage of critical electronic information.

The Company's power solutions, marketed under the N2Power™ brand, include standard, semi-custom and custom versions and provide OEM designers with increased functionality while reducing thermal loads and cooling requirements and lowering operating costs. These products are sold to OEMs in a wide range of markets, including telecom/networking equipment, audio/visual, industrial, gaming and medical.

More information is available at [www.qualstar.com](http://www.qualstar.com) and [www.n2power.com](http://www.n2power.com) or by phone at 805-583-7744.

### **Cautionary Statement Concerning Forward-Looking Statements**

Statements used in this press release that relate to future plans, events, financial results, prospects or performance are forward-looking statements as defined under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements. Forward looking statements include Qualstar's preliminary unaudited financial results for the fourth quarter and fiscal year ended December 31, 2023 and the statement by Mr. Bronson that the Company is well-poised for future success. These forward-looking statements are based upon the current expectations and beliefs of Qualstar's management and are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including risks related to changes in Qualstar's preliminary unaudited financial results based on the completion of Qualstar's financial statement closing procedures and the audit by its independent registered public accounting firm of such financial statements. Notwithstanding changes that may occur with respect to matters relating to any forward looking statements, Qualstar does not expect to, and disclaims any obligation to, publicly update any forward-looking statements whether as a result of new information, future events or otherwise. Qualstar, however, reserves the right to update such statements or any portion thereof at any time for any reason. In particular, the following factors, among others, could cause actual or future results to differ materially from those suggested by the forward-looking statements: Qualstar's ability to successfully execute on its strategic plan and meet its long-term financial goals; Qualstar's ability to develop and commercialize new products; industry and customer adoption and acceptance of Qualstar's new products; Qualstar's ability to increase sales of its 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 Qualstar's products, increased competition and pricing pressure on Qualstar's products; and the risks related to actions of activist shareholders, including the amount of related costs.

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