Quantum

Investor Presentation

NASDAQ: QMCO

February 2020

CREATE. INNOVATE. PROTECT.
ON QUANTUM.

Disclaimer

This presentation may include “forward-looking” statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Quantum advises caution in reliance on forward-looking statements. Forward-looking statements include, without limitation, any projections of revenue, margins, expenses, Adjusted EBITDA, Adjusted Net Income, cash flows, or other financial items; any statements concerning the expected development, performance, market share or competitive performance relating to products or services; and the expected timing of relisting our securities on a national exchange. All forward-looking statements are based on information available to Quantum on the date hereof. These statements involve known and unknown risks, uncertainties and other factors that may cause Quantum’s actual results to differ materially from those implied by the forward-looking statement, including unexpected changes in the Company’s business. More detailed information about these risk factors, and additional risk factors, are set forth in Quantum’s periodic filings with the Securities and Exchange Commission, including, but not limited to, those risks and uncertainties listed in the section entitled “Risk Factors,” in Quantum’s Quarterly Report on Form 10-Q and Annual Report on Form 10-K as filed with the Securities and Exchange Commission. Quantum expressly disclaims any obligation to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Also note that in this presentation the Company will be discussing non-GAAP financial information. We provide this information as a supplement to information prepared in accordance with Accounting Principles Generally Accepted in the United States or GAAP. You can find a reconciliation of these metrics to the reported GAAP results in the reconciliation table provided in the Company's earnings release furnished on Form 8-K, dated November 6, 2019.

Today's Quantum: Leaner, More Product- and Technology-Focused, Poised for Growth and Improving Earnings Power

Elimination of

OVER $70 MILLION

in annualized operating, service, and supply chain expenses

Fiscal Q4 revenue guidance

$90 - 100 MILLION

Fiscal 2020 revenue guidance

$405 – 415 MILLION

Current guidance of fiscal 2020 Adjusted EBITDA of a range of

$48 - 52 MILLION

New Leadership with Proven Ability to Execute

Jamie Lerner
Quantum Chairman and CEO

Mike Dodson
Quantum CFO

Liz King
Quantum CRO

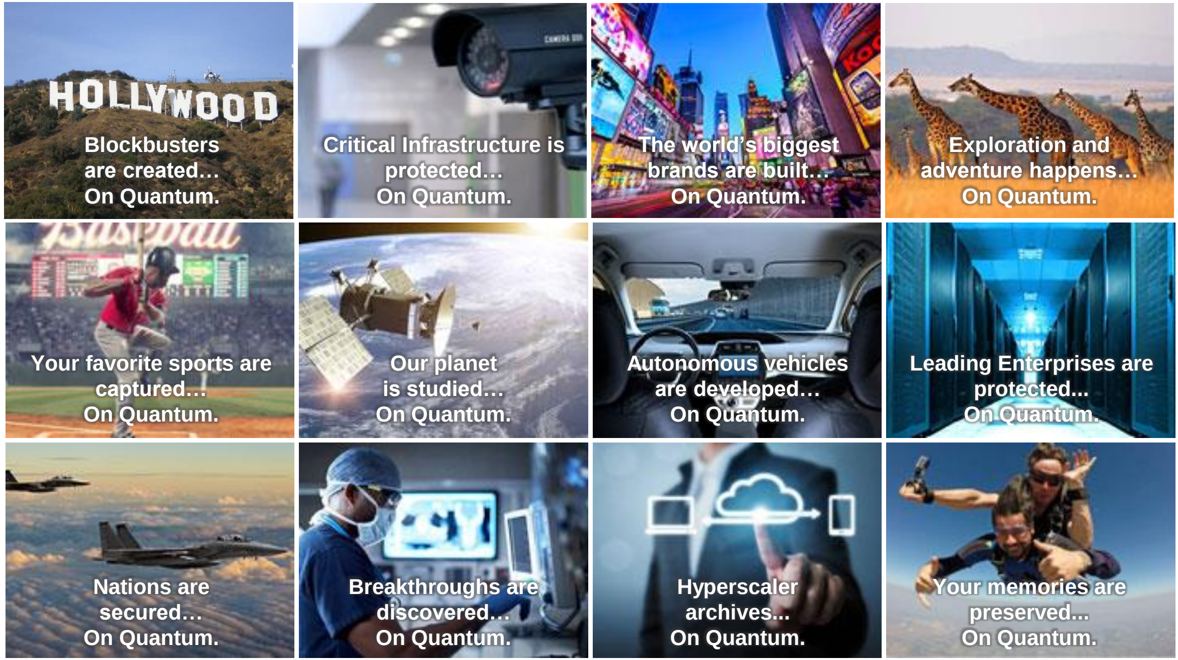
New Team

- Reconstituted Board of Directors to include significant shareholders; directed at corporate accountability and operational improvement
- Since January 2018, replaced almost three-fourths of prior management
- Recruited over 10 new executives from the best organizations worldwide including CEO, CFO, CRO, CAO, CIO, VP Supply Chain, General Counsel, Corporate Controller and Director of Internal Audit
- Previous experience includes HPE, IBM, Oracle, Seagate, Ernst & Young, Cisco, Pivot3, and more

Quantum Overview

QMCO
Nasdaq Listed

40	Years storing and protecting data
20	Years of expertise working with video in Hollywood
30,000+	Active support contracts around the world
24/7/365	World-class service and support organization



2019: A More Product- and Technology-Focused Quantum

F-Series NVMe Appliance For Video Editing, Rendering

VS-Series for Surveillance Recording

R-Series Ruggedized Storage For Edge Data Collection

StorNext File System Provides Fastest Streaming Performance

Cloud-Based Analytics Software Enables Distributed Cloud Services

Quantum Cold Storage Software and Services

Distributed Cloud Services to Drive Recurring Services Revenue

2020 and Beyond: Video Everywhere

By 2025, 80% of the Data on the Planet

Source: IDC Datasphere reports

Video is Not Well Supported by Traditional Enterprise Products

50x larger

than average corp database

Costly to move to the cloud

~~Traditional Data Services~~

Compression, dedupe, snaps, clones, replication, backup…
…don't work or less effective

Complex

to search and analyze

Video and Unstructured Datasets Have Common Requirements

1 CONTENT IS CREATED AND UPLOADED

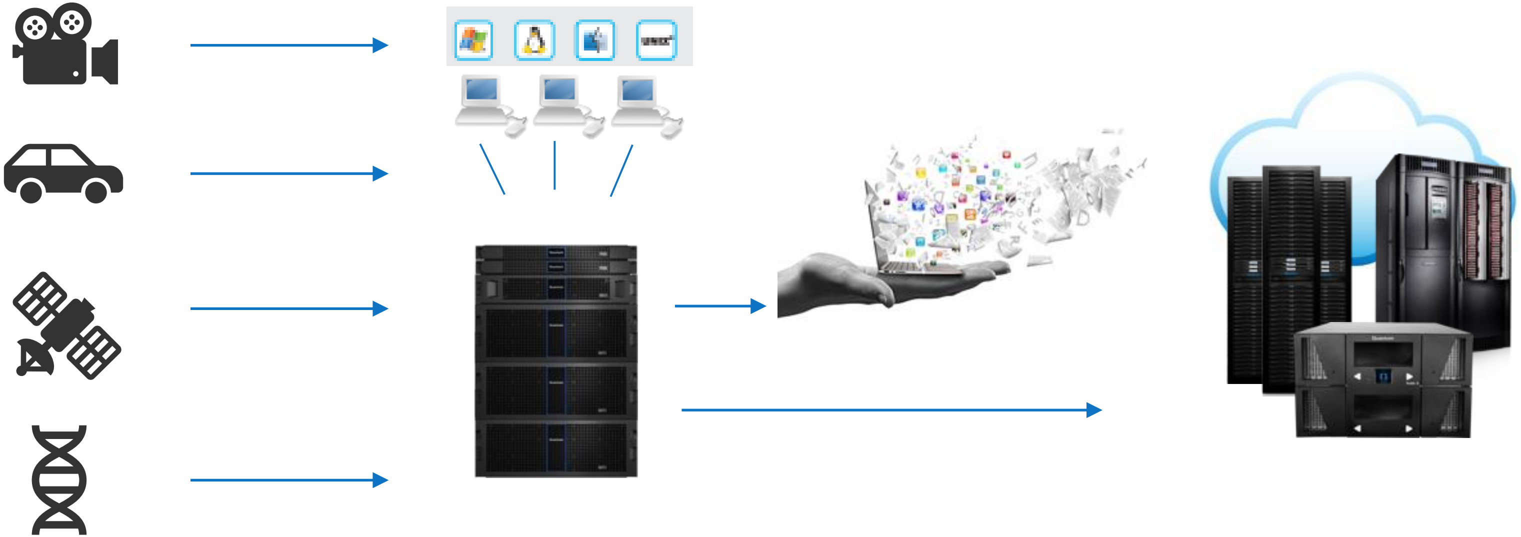
✓ *Edge environments*

2 CONTENT IS CATALOGED, WORKED ON, ANALYZED, DISTRIBUTED

✓ *High speed ingest, processing*

3 CONTENT IS PRESERVED AND PROTECTED FOREVER

✓ *Massive scale, durable, low cost*



Quantum Portfolio Uniquely Delivers on These Requirements

1 CONTENT IS CREATED AND UPLOADED

✓ *Edge environments*

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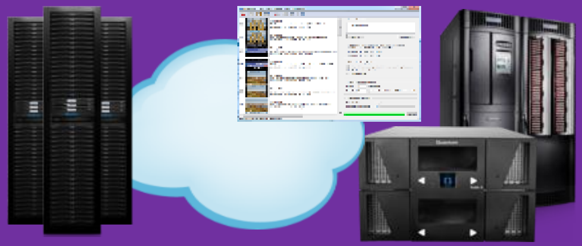
In-Vehicle and Edge Storage

Ruggedized removable storage designed for fast ingest and easy upload/offload.

StorNext

High-Performance Video Platforms

Fastest streaming performance on the planet, IP (Internet Protocol) & SAN (Storage Area Network) support, specifically designed for video & rich media use cases.



Archive Storage and Cloud Managed Services

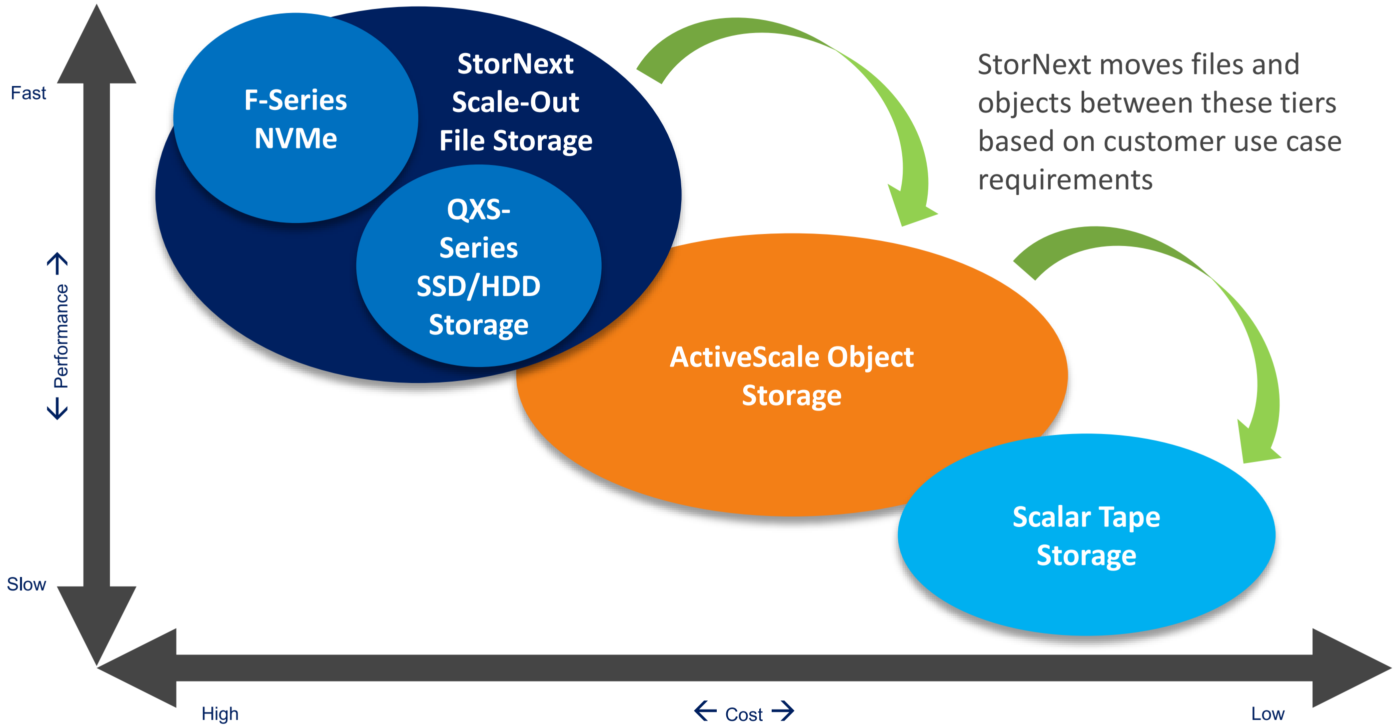
Lowest-cost, massively scalable long-term storage of video and rich media content and assets, on prem and in the cloud.

Use Cases: Autonomous vehicle design, rolling stock surveillance capture, military.

Use Cases: High-performance storage for video and rich media workflows, hyperconverged surveillance systems.

Use Cases: Digital media archives for broadcast and post, petabyte-scale archives for HPC (High-Performance Computing)/research rich media, exa-scale cloud archives.

ActiveScale Acquisition Provides Key Technologies for Video



StorNext moves files and objects between these tiers based on customer use case requirements

- Announced ActiveScale acquisition Feb 3rd
- Expected to close by end of March
- Neutral to slightly accretive financial impact to current business ops

Where We Are Going

Stabilized Financials

Right-sized expense structure

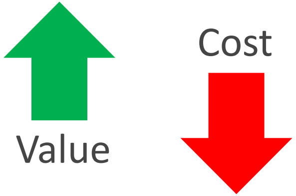
Significant y-y EBITDA Growth

Poised for growth via unique products and technology

Sustained Profitable Growth Based on Video and Image Markets

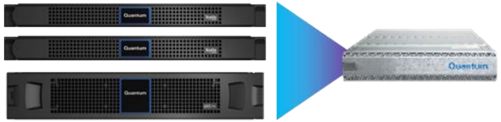
Software-defined enables recurring services and software revenue

Quantum Pathways to Growth, Margins, EBITDA in FY2021



Margin Expansion through value engineering, supply chain, manufacturing

Hyperscaler Franchise Wins

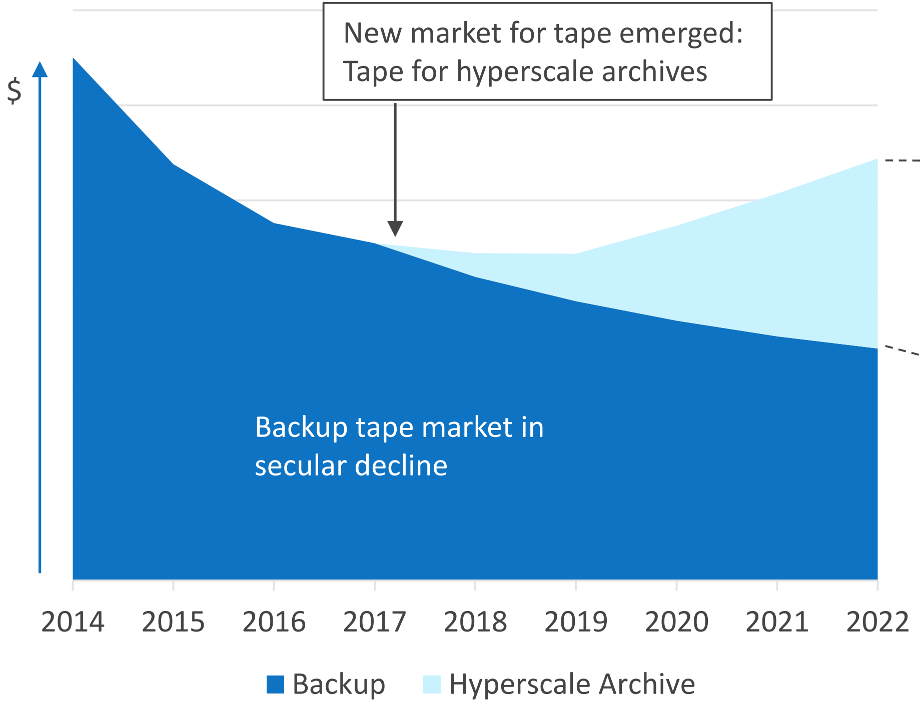


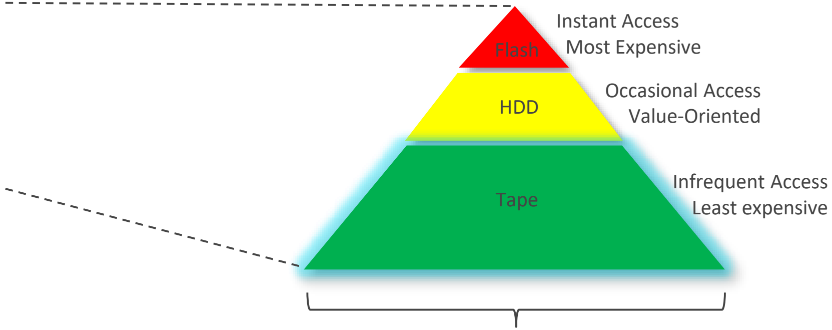
Hardware to Software Transition in Process
Updated StorNext tech and business architecture

Expand Surveillance and Enter Other Emerging Markets

Inorganic Growth

Hyperscaler Opportunities --Tape Market Point of View





Market growth driven by low cost long-term storage of seldomly-accessed data (Smartphone photos and videos, original footage, etc)

Requires new architecture, and software to ‘abstract’ underlying tape hardware

Source: IDC, Quantum internal analysis

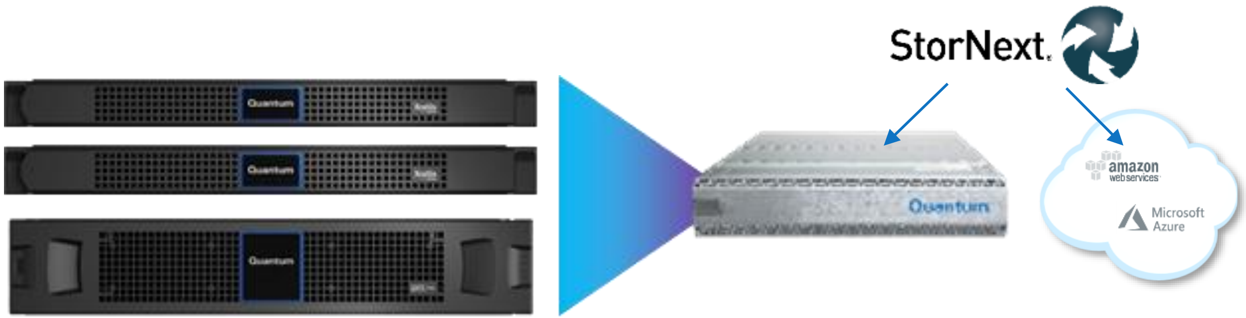
StorNext Architectural and Business Model Transformation

"Project Fusion" and StorNext 7

1. **Converge onto value-engineered hardware**, leveraging virtualization / containerization

2. **Software-defined architecture** to run on commodity hardware, hybrid- and multi-cloud

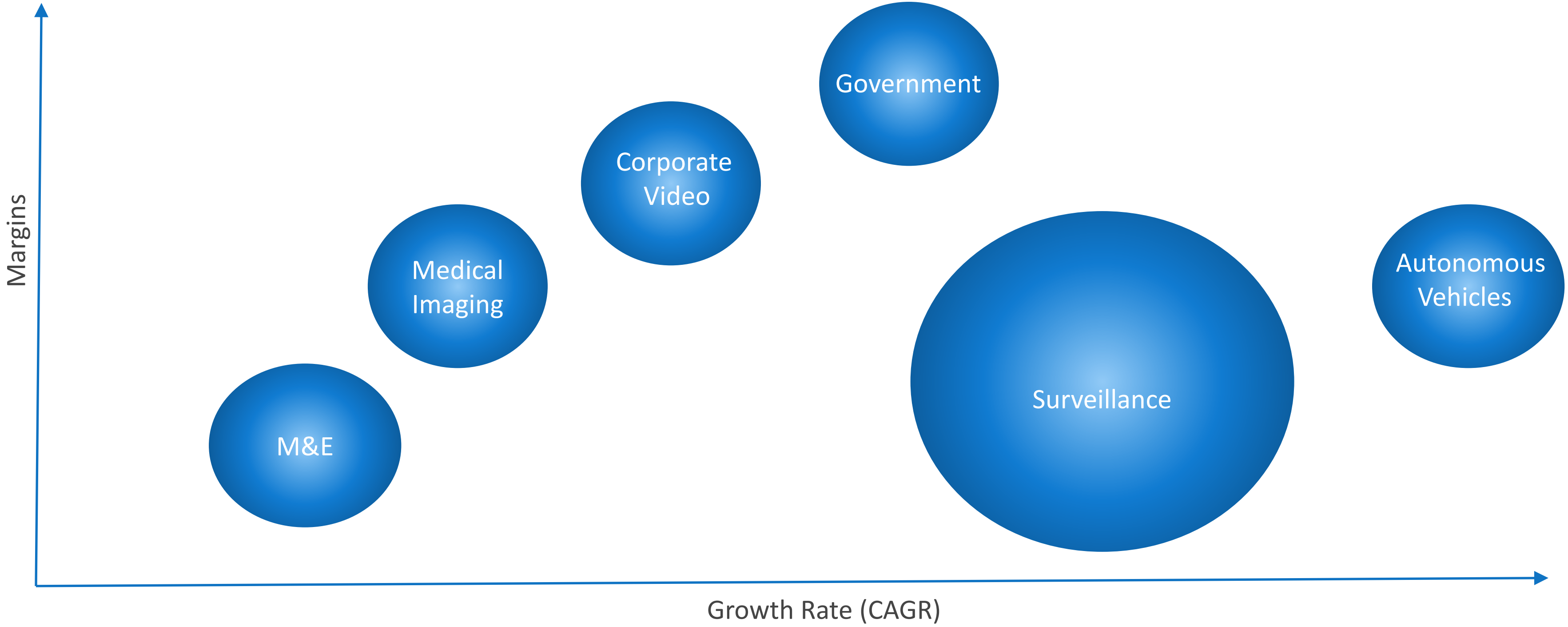
3. **Shift spend from hardware to software** via software subscription licensing



✓Increase Margins ✓Increase Competitiveness ✓Increase Profitability

Expand from Media & Entertainment Video Infrastructure

Leverage Reputation from M&E Expertise into Adjacent Video Verticals



QUANTUM. MAKING THE WORLD…

HAPPIER

SAFER

SMARTER

Quantum.

NASDAQ: QMCO

Financial Details

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Financial Overview

($ in millions)

- Third Fiscal Quarter 2020 ended December 31, 2019
  - Revenue of $103.3, up 1% from $102.0 in the prior year quarter
  - Adjusted EBITDA increased $3.6 to $14.7, compared to $11.1 in the prior year quarter
- Nine months ended December 31, 2019
  - Revenue of $314.7, up 5% from $299.4 in the prior year
  - Adjusted EBITDA increased 95% to $40.5, compared to $20.7 in the prior year
- Balance Sheet and Liquidity at December 31, 2019
  - $7.5 in cash and cash equivalents
  - $162.9 in total debt outstanding
  - $5.3 drawn on $45.0 revolving credit facility

Financial Highlights – YTD Fiscal 2020

($ in millions, except per share amounts)

	Nine Months Ended Dec 31		Increase (Decrease)
	2019	2018	
Revenue	$314.7	$299.4	5%
Gross Margin	43.3%	41.7%	160bps
Total Operating Expenses	$117.8	$129.2	(10%)
Net Loss	$(1.4)	$(33.4)	NM
EPS - Diluted	$(0.04)	$(0.94)	NM
Non-recurring Charges	$19.2	$35.3	(183%)
Adjusted Net Income	$17.8	$1.9	940%
Adjusted EPS	$0.40	$0.05	800%
Adjusted EBITDA	$40.5	$20.7	95%

Restructuring Eliminated Annualized Spending by $70 Million

(Fiscal 2018 vs. Fiscal 2019)

- Operating expenses reduced by $60 million
- Cost of sales reduced by $10 million
- 95% of the cost reductions were in three categories:
  - Just over 75% represented **headcount related costs**
  - Just over 10% represented **marketing programs**
  - Just under 10% represented **travel related expenses**
- All spending reductions exclude non-recurring costs

Balance Sheet Highlights

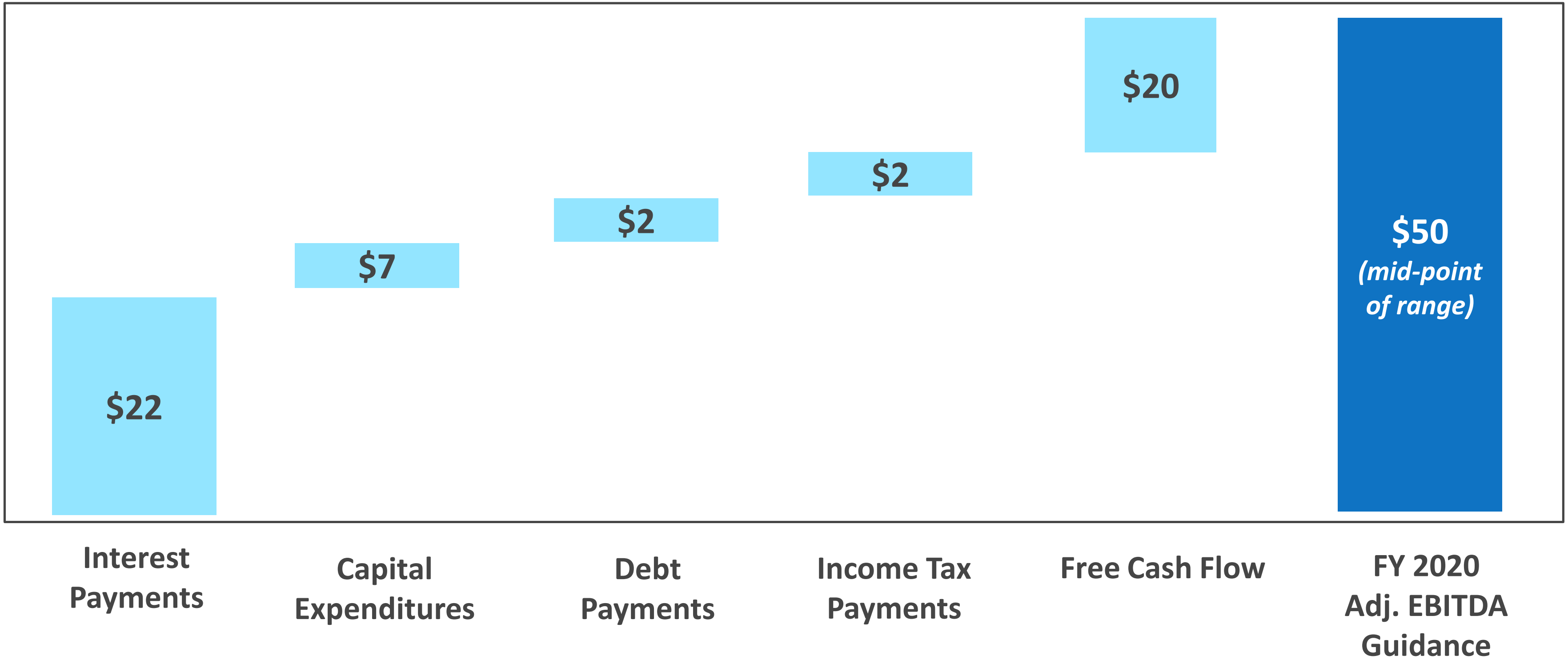
($ in millions)

- **Cash and cash equivalents = $8**
  - Excluding $5.9 million in restricted cash required under the Credit Agreements
- **Total debt outstanding = $163**
  - $5.3 million drawn down on $45 million revolving credit facility

	December 31, 2019	June 30, 2019
Cash & Cash Equivalents	$8	$11
Accounts Receivable	$75	$67
DSO	65	57
Inventories	$41	$44
Payables DPO	71	60
Accounts Payable	$45	$40
Deferred Revenues	$110	$120
Total Debt Outstanding	$163	$165

FY 2020 Projected Cash Flows

($ in millions)



Financial Guidance Outlook

($ in millions)

- Fourth Quarter Fiscal 2020

Revenues	$95 (+/- $5)
Adjusted Net Income [1]	$2 (+/- $2)
Adjusted Net Income per share[1]	$0.04 (+/- $0.04)
Adjusted EBITDA [1]	$10 (+/- 2)

- Full-Year Fiscal 2020

Revenues	$405 - $415
Adjusted EBITDA [1]	$48 - $52

[1] *Adjusted Net Income and Adjusted EBITDA Guidance Excludes approximately $3 million in forecasted non-recurring charges*

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Contact for More Information

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GAAP to Non-GAAP Reconciliations

($ in thousands, except per share amounts)

Adjusted EBITDA		Q1'20		Q2'20		Q3'20		YTD
Net income (loss)	$	(3,807)	$	(2,315)	$	4,749	$	(1,373)
Interest expense, net		6,307		6,347		6,425		19,079
Provision (benefit) for income taxes		338		243		(110)		471
Depreciation and amortization expense		1,025		1,013		1,081		3,119
Stock-based compensation expense		987		2,365		2,055		5,407
Restructuring charges		263		821		(64)		1,020
Cost related to financial restatement and related activities		7,991		4,188		564		12,743
Adjusted EBITDA	$	13,104	$	12,662	$	14,700	$	40,466

Adjusted Net Income (Loss)		Q1'20		Q2'20		Q3'20		YTD
Net Income (Loss)	$	(3,807)	$	(2,315)	$	4,749	$	(1,373)
Restructuring charges		263		821		(64)		1,020
Stock-based compensation		987		2,365		2,055		5,407
Cost related to financial restatement and related activities		7,991		4,188		564		12,743
Adjusted Net Income (Loss)	$	5,434	$	5,059	$	7,304	$	17,797
Adjusted Income per share:								
Basic	$	0.15	$	0.14	$	0.19	$	0.48
Diluted	$	0.13	$	0.11	$	0.16	$	0.40

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