

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **September 30, 2025**
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___ to ___

Commission File Number **001-13449**

Quantum[®]

Quantum Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

94-2665054

(I.R.S. Employer Identification No.)

**10770 E. Briarwood Avenue
Centennial CO**

(Address of Principal Executive Offices)

80112

(Zip Code)

(408) 944-4000

Registrant's telephone number, including area code

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	QMCO	Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of the close of business on November 11, 2025, there were 13,721,291 shares of Quantum Corporation's common stock issued and outstanding.

QUANTUM CORPORATION
QUARTERLY REPORT ON FORM 10-Q
For the Quarter Ended September 30, 2025

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As used in this Quarterly Report on Form 10-Q, the terms "Quantum," the "Company," "we," "us," and "our" refer to Quantum Corporation and its subsidiaries taken as a whole, unless otherwise noted or unless the context indicates otherwise.

Note Regarding Forward-Looking Statements

This report contains forward-looking statements. All statements contained in this report other than statements of historical fact, including, but not limited to, statements regarding our future operating results and financial position; our business strategy, focus and plans; our market growth and trends; our products, services and expected benefits thereof; and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "could," "would," "project," "plan," "potentially," "preliminary," "likely," and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including: the competitive pressures that we face; risks associated with executing our strategy; the impact of macroeconomic and geopolitical trends and events; the need to manage third-party suppliers and the distribution of our products and the delivery of our services effectively; the protection of our intellectual property assets, including intellectual property licensed from third parties; risks associated with our international operations; the development and transition of new products and services and the enhancement of existing products and services to meet customer needs; our response to emerging technological trends; the execution and performance of contracts by us and our suppliers, customers, clients and partners; the hiring and retention of key employees; risks associated with business combination and investment transactions; the execution, timing and results of any transformation or restructuring plans, including estimates and assumptions related to the cost and the anticipated benefits of the transformation and restructuring plans; the outcome of any legal proceedings, claims and disputes; the ability to meet stock exchange continued listing standards; the possibility that Nasdaq may delist our securities; risks related to our restatement and revisions to financial statements; risks related to our ability to implement and maintain effective internal control over financial reporting in the future; risks related to changes in our management; and those risks described under Part II, Item 1A. Risk Factors. Moreover, we operate in a competitive and changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the effect of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Accordingly, you should not rely on forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update any of these forward-looking statements for any reason after the date of this report or to conform these statements to actual results or revised expectations.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

QUANTUM CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts, unaudited)

	September 30, 2025	March 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,670	\$ 16,464
Restricted cash	659	139
Accounts receivable, net of allowance for credit losses of \$151 and \$99, respectively	43,934	52,502
Inventories	18,930	22,434
Prepaid expenses	4,524	2,738
Other current assets	7,416	8,529
Total current assets	90,133	102,806
Property and equipment, net	10,697	11,378
Goodwill	12,969	12,969
Intangible assets, net	—	281
Right-of-use assets	7,983	8,580
Other long-term assets	15,915	19,388
Total assets	\$ 137,697	\$ 155,402
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 24,193	\$ 31,463
Accrued compensation	8,822	9,214
Deferred revenue, current portion	66,758	75,076
Accrued restructuring	855	786
Term debt	99,634	96,486
Revolving credit facility	—	26,600
Warrant liabilities	23,895	—
Other accrued liabilities	17,588	17,982
Total current liabilities	241,745	257,607
Deferred revenue, net of current portion	35,144	38,847
Operating lease liabilities	8,602	8,934
Other long-term liabilities	12,705	14,380
Total liabilities	298,196	319,768
Commitments and contingencies (Note 10)		
Stockholders' deficit		
Preferred stock, 20,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$0.01 par value; 225,000 shares authorized; 13,333 and 6,962 shares issued and outstanding	133	70
Additional paid-in capital	846,451	779,645
Accumulated deficit	(1,006,133)	(942,471)
Accumulated other comprehensive loss	(950)	(1,610)
Total stockholders' deficit	(160,499)	(164,366)
Total liabilities and stockholders' deficit	\$ 137,697	\$ 155,402

See accompanying Notes to Condensed Consolidated Financial Statements.

QUANTUM CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except per share amounts, unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Revenue:				
Product	\$ 35,368	\$ 39,278	\$ 72,905	\$ 81,931
Service and subscription	25,620	30,205	50,563	56,915
Royalty	1,727	2,363	3,534	5,265
Total revenue	62,715	71,846	127,002	144,111
Cost of revenue:				
Product	28,748	29,774	59,493	62,330
Service and subscription	10,415	11,427	21,243	24,080
Total cost of revenue	39,163	41,201	80,736	86,410
Gross profit	23,552	30,645	46,266	57,701
Operating expenses:				
Sales and marketing	11,819	13,578	24,474	26,873
General and administrative	11,006	13,977	24,576	35,042
Research and development	5,692	8,264	12,353	16,572
Restructuring charges	3,193	383	5,616	1,574
Total operating expenses	31,710	36,202	67,019	80,061
Loss from operations	(8,158)	(5,557)	(20,753)	(22,360)
Other income (expense), net	(185)	(1,334)	(616)	(1,375)
Interest expense	(6,227)	(6,131)	(12,743)	(9,921)
Change in fair value of warrant liabilities	1,525	3,550	1,525	5,216
Loss on debt extinguishment	(33,254)	(2,308)	(30,695)	(3,003)
Loss before income taxes	(46,299)	(11,780)	(63,282)	(31,443)
Income tax provision	157	370	380	605
Net loss	\$ (46,456)	\$ (12,150)	\$ (63,662)	\$ (32,048)
Net loss per share - basic and diluted				
	\$ (3.49)	\$ (2.54)	\$ (5.65)	\$ (6.69)
Weighted average shares - basic and diluted				
	13,322	4,792	11,266	4,792
Net loss	\$ (46,456)	\$ (12,150)	\$ (63,662)	\$ (32,048)
Foreign currency translation adjustments, net	(62)	659	660	801
Total comprehensive loss	\$ (46,518)	\$ (11,491)	\$ (63,002)	\$ (31,247)

See accompanying Notes to Condensed Consolidated Financial Statements.

QUANTUM CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, unaudited)

	Six Months Ended September 30,	
	2025	2024
Operating activities		
Net loss	\$ (63,662)	\$ (32,048)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	1,857	3,347
Amortization of debt issuance costs	3,998	2,081
Non-cash lease expense	697	934
Gain (loss) on debt extinguishment	5,275	3,003
Provision for product and manufacturing inventories	3,633	1,167
Stock-based compensation	(205)	1,641
Paid-in-kind interest	3,579	1,844
Warrants issued in connection with debt amendments	25,420	—
Change in fair value of warrant liabilities	(1,525)	(5,216)
Other non-cash	1,936	851
Changes in assets and liabilities:		
Accounts receivable, net	8,429	16,638
Inventories	(150)	(1,625)
Prepaid expenses	(1,786)	(1,446)
Operating lease liabilities	(587)	(500)
Accounts payable	(7,794)	5,253
Accrued compensation	(393)	(4,350)
Accrued restructuring charges	69	—
Deferred revenue	(12,021)	(12,452)
Other current assets	1,085	(780)
Other non-current assets	1,077	1,280
Other current liabilities	(241)	2,122
Other non-current liabilities	(1,180)	1,062
Net cash used in operating activities	(32,489)	(17,194)
Investing activities		
Purchases of property and equipment	(1,606)	(3,228)
Net cash used in investing activities	(1,606)	(3,228)
Financing activities		
Borrowings of long-term debt, net of debt issuance costs	(6,317)	24,655
Repayments of long-term debt	(909)	(13,537)
Borrowings of credit facility	71,625	209,852
Repayments of credit facility	(98,682)	(209,445)
Proceeds from shares issued related to the SEPA, net	66,993	—
Proceeds from the issuance of common stock, net	81	—
Net cash provided by financing activities	32,791	11,525
Effect of exchange rate changes on cash, cash equivalents and restricted cash	30	(3)
Net change in cash, cash equivalents and restricted cash	(1,274)	(8,900)
Cash, cash equivalents and restricted cash at beginning of period	16,603	25,860
Cash, cash equivalents and restricted cash at end of period	\$ 15,329	\$ 16,960
The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows:		
Cash and cash equivalents	\$ 14,670	\$ 16,719
Restricted cash	659	241
Cash, cash equivalents and restricted cash at the end of period	\$ 15,329	\$ 16,960
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 4,591	\$ 5,539
Cash paid for income taxes, net	\$ 327	\$ 1,304
Non-cash transactions		
Purchases of property and equipment included in accounts payable	\$ 117	\$ 312
Right-of-use assets obtained in exchange for new lease liabilities	\$ 9	\$ 472
Paid-in-kind interest	\$ 3,579	\$ 1,844

See accompanying Notes to Condensed Consolidated Financial Statements.

QUANTUM CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(in thousands, unaudited)

Three Months Ended	Common Stock			Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Amount	Additional Paid-in Capital			
Balance, June 30, 2024	4,792	\$ 48	\$ 708,952	\$ (847,278)	\$ (2,051)	\$ (140,329)
Net loss	—	—	—	(12,150)	—	(12,150)
Foreign currency translation adjustments, net	—	—	—	—	659	659
Stock-based compensation	—	—	716	—	—	716
Balance, September 30, 2024	<u>4,792</u>	<u>\$ 48</u>	<u>\$ 709,668</u>	<u>\$ (859,428)</u>	<u>\$ (1,392)</u>	<u>\$ (151,104)</u>
Balance, June 30, 2025	13,319	\$ 133	\$ 846,046	\$ (959,677)	\$ (888)	\$ (114,386)
Net loss	—	—	—	(46,456)	—	(46,456)
Foreign currency translation adjustments, net	—	—	—	—	(62)	(62)
Shares issued under employee incentive plans, net	14	—	81	—	—	81
Stock-based compensation	—	—	324	—	—	324
Balance, September 30, 2025	<u>13,333</u>	<u>\$ 133</u>	<u>\$ 846,451</u>	<u>\$ (1,006,133)</u>	<u>\$ (950)</u>	<u>\$ (160,499)</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

QUANTUM CORPORATION

QUANTUM CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(in thousands, unaudited)

Six Months Ended	Common Stock			Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Amount	Additional Paid-in Capital			
Balance, March 31, 2024	4,792	\$ 48	\$ 708,027	\$ (827,380)	\$ (2,193)	\$ (121,498)
Net loss	—	—	—	(32,048)	—	(32,048)
Foreign currency translation adjustments, net	—	—	—	—	801	801
Stock-based compensation	—	—	1,641	—	—	1,641
Balance, September 30, 2024	<u>4,792</u>	<u>\$ 48</u>	<u>\$ 709,668</u>	<u>\$ (859,428)</u>	<u>\$ (1,392)</u>	<u>\$ (151,104)</u>
Balance, March 31, 2025	6,962	\$ 70	\$ 779,645	\$ (942,471)	\$ (1,610)	\$ (164,366)
Net loss	—	—	—	(63,662)	—	(63,662)
Foreign currency translation adjustments, net	—	—	—	—	660	660
Shares issued under employee incentive plans	51	—	81	—	—	81
Shares issued related to the SEPA, (net of \$2,700 issuance costs)	6,320	63	66,930	—	—	66,993
Stock-based compensation	—	—	(205)	—	—	(205)
Balance, September 30, 2025	<u>13,333</u>	<u>\$ 133</u>	<u>\$ 846,451</u>	<u>\$ (1,006,133)</u>	<u>\$ (950)</u>	<u>\$ (160,499)</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

NOTE 1: DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Quantum Corporation, together with its consolidated subsidiaries, stores and manages digital video and other forms of unstructured data, providing streaming performance for video and rich media applications, along with low-cost, long-term storage systems for data protection and archiving. The Company helps customers around the world capture, create and share digital data and preserve and protect it for decades. The Company's software-defined, hyperconverged storage solutions span from non-volatile memory express, to solid state drives, hard disk drives, tape and the cloud and are tied together leveraging a single namespace view of the entire data environment. The Company works closely with a broad network of distributors, value-added resellers, direct marketing resellers, original equipment manufacturers and other suppliers to meet customers' evolving needs.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. All intercompany balances and transactions have been eliminated. Certain information and footnote disclosures normally included in annual financial statements have been condensed or omitted. The Company believes the disclosures made are adequate to prevent the information presented from being misleading. However, the accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included within the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2025 (the "Annual Report").

The unaudited condensed consolidated interim financial statements reflect all adjustments, consisting only of normal and recurring items, necessary to present fairly our financial position as of September 30, 2025, the results of operations and comprehensive loss, statements of cash flows, and changes in stockholders' deficit for the three and six months ended September 30, 2025 and 2024. Interim results are not necessarily indicative of full year performance because of short-term variations.

Going Concern

These condensed consolidated financial statements have been prepared in accordance with GAAP assuming the Company will continue as a going concern. The going concern assumption contemplates the realization of assets and satisfaction of liabilities in the normal course of business. However, substantial doubt about the Company's ability to continue as a going concern exists.

The Company is required to repay the Term Loan (as defined herein) on August 5, 2026. At the present time, the Company does not have sufficient cash to be able to make this repayment nor does the Company expect to generate sufficient cash through operating activities to make this repayment by August 5, 2026. On September 23, 2025, the Company entered into a transaction agreement with Dialectic (as further discussed herein) which laid out the terms to exchange Dialectic's portion of the Term Loan for one or more convertible notes with a three year maturity. The issuance of the convertible note(s) is subject to stockholder approval. In the same agreement, the Company also agreed to use the proceeds from the Standby Equity Purchase Agreement ("SEPA") to repay OC III Lenders for its portion of the Term Loan. However, there is no assurance that the issuance of the Convertible Note will be approved nor that we will be able to raise sufficient cash proceeds from the SEPA to repay the Term Loan. See Note 4: *Debt* for further information on our credit agreements.

The condensed consolidated financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities, and reported expenses that may be necessary if the Company were unable to continue as a going concern. All credit facilities are collateralized by a pledge of the Company's assets.

Revision of Previously Issued Financial Statements for Immaterial Misstatements

In connection with the preparation of the Company's Quarterly Report on Form 10-Q for the three and six months ended September 30, 2025, the Company identified that certain previously disclosed errors—which resulted in a restatement of the financial statements for the three and nine months ended December 31, 2024, as filed in the Annual Report also affected the financial statements for the three and six months ended September 30, 2024.

The impact of these errors on the three and six months ended September 30, 2024 was evaluated in accordance with SEC Staff Accounting Bulletins No. 99 and 108 and was determined to be immaterial to the previously issued financial statements. Accordingly, the Company has revised, rather than restated, the comparative financial information for September 30, 2024 presented in this Quarterly Report on Form 10-Q.

The nature of the revisions is as follows:

- Service contract term – The Company identified inconsistencies in the contract term used to recognize service and subscription revenue under ASC 606. Revenue is required to be deferred and recognized ratably over the contractual term of the arrangement. Management reviewed and updated the revenue recognition periods to ensure consistent application for all relevant contracts invoiced during the fiscal year ended March 31, 2025. These adjustments have been reflected in the revenue calculations presented herein. See Note 12: *Revision of Previously Issued Financial Statements* for more information.
- Application of ASC 606 related to standalone selling price (“SSP”) – The Company determined that the standalone selling prices used during the fiscal year ended March 31, 2025 had not been appropriately updated. Accordingly, prior to March 31, 2025, the Company refreshed the SSPs for all performance obligations in bundled contracts, maximizing the use of observable inputs. This adjustment resulted in changes to the allocation of transaction price and corresponding revenue recognition.

For further discussion of the restatement of the financial statements for the three and nine months ended December 31, 2024, refer to the Annual Report.

Reclassifications

Certain prior-period amounts in the condensed consolidated statements of cash flows have been reclassified to conform to the current period presentation. These reclassifications had no effect on total cash flows.

Reverse Stock Split

On August 15, 2024, the Company's stockholders approved an amendment to the Company's Amended and Restated Certificate of Incorporation to effect a reverse stock split of the issued shares of the Company's common stock, par value \$0.01 per share (the “Common Stock”), at a ratio ranging from 1 share-for-5 shares up to a ratio of 1-for-20 shares, with the exact ratio, if any, to be selected by the board of directors (the “Board”). On August 15, 2024, the Board approved a 1-for-20 reverse stock split (the “Reverse Stock Split”) of the Common Stock. The Reverse Stock Split became effective as of August 26, 2024 at 4:01 p.m., Eastern Time (the “Effective Time”). At the Effective Time, every twenty issued shares of Common Stock were automatically reclassified into one issued share of Common Stock, with any fractional shares resulting from the Reverse Stock Split rounded up to the nearest whole share. The number of outstanding shares of Common Stock was reduced from approximately 95.9 million shares to approximately 4.8 million shares.

All share and per share amounts for Common Stock in these condensed consolidated financial statements and notes thereto have been retroactively adjusted for all periods presented to give effect to the Reverse Stock Split.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and accompanying notes. Actual results could differ from these estimates and assumptions due to risks and uncertainties. Such estimates include, but are not limited to, the determination of standalone selling price for revenue arrangements with multiple performance obligations, inventory adjustments, useful lives of intangible assets and property and equipment, stock-based compensation, fair value of warrants, and provision for income taxes including related reserves. Management bases its estimates on historical experience and on various other assumptions which management believes to be

reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Restricted Cash

Restricted cash is comprised of bank guarantees and similar required minimum balances that serve as cash collateral in connection with various items including insurance requirements, value added taxes, ongoing tax audits and leases in certain countries.

Accounting Pronouncement Recently Adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, Income Taxes (Topic 740): *Improvements to Income Tax Disclosures*, which required greater disaggregation of tax information in rate reconciliation and income taxes paid by jurisdiction. ASU 2023-09 was adopted beginning April 1, 2025, with no material impact.

Recent Accounting Pronouncement Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income -Expense Disaggregation Disclosures (Subtopic 220-40): *Disaggregation of Income Statement Expenses*, which requires additional disclosures of specific expense categories included within each expense caption presented on the Statements of Operations. The new standard can be applied on either a fully retrospective or prospective basis ASU 2024-03 will be effective for our fiscal year beginning April 1, 2027, and interim periods within our fiscal year beginning April 1, 2028, with early adoption permitted. The Company is currently evaluating the impact of this new standard on its financial statement disclosures.

In July 2025, the FASB issued ASU 2025-05, "Financial Instruments—Credit Losses (Topic 326): Measurements of Credit Losses for Accounts Receivable and Contract Assets" ("ASU 2025-05"). The amendments in this update provide a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under FASB Accounting Standards Codification 606. Under ASU 2025-05, an entity is required to disclose whether it has elected to use the practical expedient. An entity that makes the accounting policy election is required to disclose the date through which subsequent cash collections are evaluated. ASU 2025-05 is effective for the Company beginning in the fiscal year beginning April 1, 2026, with early adoption permitted. The Company is currently evaluating the impact of this new standard on its financial statement disclosures.

In September 2025, the FASB issued ASU 2025-06, "Targeted Improvements to the Accounting for Internal-Use Software" (Topic 350). ASU 2025-06 eliminates references to software development project stages and revises the criteria that must be met to begin capitalizing internal-use software costs. The standard permits entities to adopt the guidance using a prospective, retrospective, or modified transition approach and becomes effective for us beginning January 1, 2028, with early adoption permitted. The Company is currently assessing the potential impact that ASU 2025-06 will have on its financial statements disclosures.

NOTE 2: REVENUE

Contract Balances

The following table presents the Company's receivables and contract liabilities and certain information related to this balance as of September 30, 2025, March 31, 2025 and March 31, 2024 (in thousands):

	September 30, 2025		March 31, 2025		March 31, 2024
Accounts receivable	\$ 43,934	\$	52,502	\$	67,788
Deferred revenue	\$ 101,902	\$	113,923	\$	116,687
Revenue recognized in the period from amounts included in contract liabilities at the beginning of the period	\$ 48,123	\$	74,048	\$	76,304

Remaining Performance Obligations

Total remaining performance obligations (“RPO”) representing contracted but not recognized revenue was \$130.3 million as of September 30, 2025. RPO consists of both deferred revenue and uninvoiced, non-cancelable contracts that are expected to be invoiced and recognized as revenue in future periods and excludes variable consideration related to sales-based royalties.

RPO consisted of the following (in thousands):

	Current	Non-Current	Total
As of September 30, 2025	\$ 92,504	\$ 37,803	\$ 130,307

NOTE 3: BALANCE SHEET INFORMATION

Certain significant amounts included in the Company's condensed consolidated balance sheets consist of the following (in thousands):

Manufacturing Inventories

	September 30, 2025	March 31, 2025
Finished goods	\$ 6,987	\$ 10,471
Work in progress	1,517	380
Raw materials	9,488	9,485
Total manufacturing inventories	\$ 17,992	\$ 20,336

Service Parts Inventories

	September 30, 2025	March 31, 2025
Finished goods	\$ 476	\$ 1,189
Component parts	462	909
Total service parts inventories	\$ 938	\$ 2,098

Intangibles, net

	September 30, 2025			March 31, 2025		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer lists	\$ 4,398	\$ (4,398)	\$ —	\$ 4,398	\$ (4,117)	\$ 281
Intangible assets, net	\$ 4,398	\$ (4,398)	\$ —	\$ 4,398	\$ (4,117)	\$ 281

Intangible assets amortization expense was \$0.1 million and \$0.5 million, and \$0.3 million and \$0.9 million for the three and six months ended September 30, 2025 and 2024, respectively. The Company recorded amortization of developed technology in cost of product revenue, and customer lists in sales and marketing expenses in the condensed consolidated statements of operations.

Goodwill

As of September 30, 2025 and March 31, 2025, goodwill was approximately \$13.0 million. There were no impairments to goodwill as of September 30, 2025 and March 31, 2025.

Other Long-Term Assets

	September 30, 2025	March 31, 2025
Capitalized SaaS implementation costs for internal use, net	\$ 12,972	\$ 13,910
Capitalized debt costs	—	2,871
Contract cost asset	1,068	1,144
Other	1,875	1,463
Total other long-term assets	\$ 15,915	\$ 19,388

NOTE 4: DEBT

The Company's debt consisted of the following (in thousands):

	September 30, 2025	March 31, 2025
Term Loan	\$ 106,086	\$ 102,507
PNC Credit Facility	—	26,600
Less: current portion	(99,634)	(123,086)
Less: unamortized debt issuance costs ⁽¹⁾	(6,452)	(6,021)
Long-term debt, net	\$ —	\$ —

⁽¹⁾ The unamortized debt issuance costs related to the Term Loan are presented as a reduction of the carrying amount of the corresponding debt balance on the accompanying condensed consolidated balance sheets. Unamortized debt issuance costs related to the PNC Credit Facility are presented within other assets on the accompanying condensed consolidated balance sheets.

On August 5, 2021, the Company entered into a Term Loan Credit and Security Agreement (the "Term Loan Credit Agreement"), pursuant to which a senior secured term loan was issued (the "2021 Term Loan"), maturing on August 5, 2026. The Company also entered into an Amended and Restated Revolving Credit and Security Agreement on December 27, 2018 (the "PNC Credit Facility" and, together with the Term Loan Credit Agreement, the "Credit Agreements"), which, per its terms, was maturing on August 5, 2026 and provided for borrowings up to a maximum principal amount of the lesser of: (a) \$40.0 million or (b) the amount of the borrowing base, as defined in the PNC Credit Facility agreement.

On June 1, 2023, the Company entered into amendments to the Credit Agreements (the "June 2023 Amendment") which, among other things, provided an advance of \$15.0 million in additional term loan borrowings (the "2023 Term Loan" and, together with the 2021 Term Loan, the "Term Loan") and incurred \$0.9 million in original issuance discount and origination fees which have been recorded as a reduction to the carrying amount of the 2023 Term Loan and amortized to interest expense over the term of the loan. The terms of the 2023 Term Loan are substantially similar to the terms of the 2021 Term Loan, including in relation to maturity and security, except that, among other things, (a) the Applicable Margin (i) for any 2023 Term Loan designated an "ABR Loan" is 9.00% per annum and (ii) for any 2023 Term Loan designated as a "SOFR Loan" is 10.00% per annum, (b) accrued interest on the 2023 Term Loan is payable in kind ("PIK"), and is capitalized and added to the principal amount of the 2023 Term Loan at the end of each interest period applicable thereto, (c) the 2023 Term Loan does not amortize prior to the maturity date thereof, and (d) the 2023 Term Loan may not be prepaid prior to the payment in full of the existing term loans. In connection with the 2023 Term Loan, the Company issued warrants to purchase an aggregate of 0.06 million shares (the "June 2023 Warrants") of the Common Stock, at an exercise price of \$20.00 per share.

On July 11, 2024, the Company entered into amendments to the Credit Agreements (the "July 2024 Amendments") which, among other things, delayed the testing of the Company's June 30, 2024 net leverage ratio financial covenant until July 31, 2024. In connection with the amendments, the Company issued the Term Loan lenders warrants to purchase an aggregate of 50,000 shares of the Common Stock at a purchase price of \$8.20 (the "July 2024 Warrants").

The July 2024 Amendments to the 2021 Term Loan were accounted for as a modification. The fair value of the July 2024 Warrants of \$0.4 million is reflected as a reduction to the carrying amount of the 2021 Term Loan and amortized to interest expense over the remaining term of the loan. The July 2024 Amendments to the PNC Credit

Facility were accounted for as a modification and the \$0.1 million in related fees and expenses were recorded to other assets and are amortized to interest expense over the remaining term of the agreement.

On August 13, 2024, the Company entered into amendments to the Credit Agreements (the "August 2024 Amendments") which, among other things, (i) waived compliance with the June 30, 2024 net leverage ratio financial covenant; (ii) waived any non-compliance with the minimum liquidity financial covenant through the date of the amendments; (iii) removed the fixed charges coverage ratio financial covenant until the fiscal quarter ended September 30, 2025; (iv) waived the testing requirement for the net leverage ratio financial covenant for the fiscal quarter ended September 30, 2024; (v) replaced the net leverage ratio financial covenant with a minimum EBITDA financial covenant for the fiscal quarters ended December 31, 2024 and March 31, 2025; (vi) reset the net leverage ratio financial covenant requirements for the fiscal quarters ended June 30, 2025 and September 30, 2025; (vii) reduced the minimum liquidity covenant to \$10 million through September 30, 2025; (viii) adjusted the applicable interest rates on the Term Loan and PNC Credit Facility; (ix) removed required 2021 Term Loan principal amortization until the fiscal quarter ended September 30, 2025; and (x) repriced certain lender warrants.

In connection with the August 2024 Amendments, the Company received a new senior secured delayed draw term loan facility with a borrowing capacity of up to \$26.3 million (\$25.0 million after original issuance discount) and a commitment period expiring on October 31, 2024 (each draw, an "August 2024 Term Loan"). The Company borrowed \$10.5 million at closing ("Initial August 2024 Term Loan"). Borrowings under the August 2024 Term Loan have an August 5, 2026 maturity date, which aligns with the 2021 Term Loan. The principal is payable quarterly beginning September 30, 2025, at a rate per annum equal to 5% of the original principal balance. The August 2024 Term Loan's interest rate margin is (a) until March 31, 2025 (i) for any August 2024 Term Loan designated as a 'SOFR Loan', 12.00% per annum and (ii) for any August 2024 Term Loan designated an 'ABR Loan', 11.00% per annum, in each case, with 6.00% of such interest rate margin paid-in-kind, and (b) from April 1, 2025, (i) for any August 2024 Term Loan designated as a 'SOFR Loan', 14.00% per annum and (ii) for any August 2024 Term Loan designated an 'ABR Loan', 13.00% per annum, in each case, with 8.00% of such interest rate margin paid-in-kind. The August 2024 Term Loan also includes a multiple on invested capital payable to the August 2024 Term Loan lenders. Subsequently, the Company borrowed the remaining \$15.8 million of the August 2024 Term Loan's borrowing capacity before September 30, 2024.

Subsequent to the August 2024 Amendments, the 2021 Term Loan amortizes at 5.00% per annum commencing on September 30, 2025. Subsequent to the August 2024 Amendments and (A) until March 31, 2025, loans under the 2021 Term Loan designated as (x) ABR Loans bear interest at a rate per annum equal to the "ABR Rate" (calculated as the greatest of (i) 1.75%; (ii) the Federal funds rate plus 0.50%; (iii) a secured overnight financing rate based rate (the "SOFR Rate") based upon an interest period of one month plus 1.0%; and (iv) the "Prime Rate" last quoted by the Wall Street Journal), plus an applicable margin of 8.75%, and (y) SOFR Rate Loans bear interest at a rate per annum equal to the SOFR Rate plus an applicable margin of 9.75%, in each case, with 3.75% of such interest rate margin paid-in-kind, with two specified step-downs in such applicable margin upon the receipt by the Company of cash proceeds from certain specified capital raises, and (B) from and after April 1, 2025, loans under the 2021 Term Loan designated as (x) ABR Loans bear interest at a rate per annum equal to the ABR Rate, plus an applicable margin of 8.75%, and (y) SOFR Rate Loans bear interest at a rate per annum equal to the SOFR Rate plus an applicable margin of 9.75%, in each case, with 3.75% of such applicable margin paid-in-kind, with a step-up of 1.00% per annum (which shall be paid-in-kind) if the Company's total net leverage ratio is greater than 4.00x, and a step-down of 1.00% per annum if the Company's total net leverage ratio is less than 3.50x (which shall reduce the paid-in-kind component of the applicable margin). The SOFR Rate is subject to a floor of 2.00%. The Company can designate a loan as an ABR Rate Loan or SOFR Rate Loan in its discretion.

Subsequent to the August 2024 Amendments, PNC Credit Facility loans designated as (x) PNC SOFR Loans bear interest at a rate per annum equal to a SOFR based rate, plus an applicable margin of 4.75% and (y) PNC Domestic Rate Loans and Swing Loans bear interest at a rate per annum equal to the greatest of (i) the base commercial lending rate of PNC Bank; (ii) the Overnight Bank Funding Rate plus 0.5%; and (iii) the daily SOFR rate plus 1.0%, plus an applicable margin of 3.75%. The Company can designate a loan as a PNC SOFR Loan or PNC Domestic Rate Loan in its discretion.

In connection with the August 2024 Amendments, the Company issued warrants to purchase an aggregate of 380,310 shares of the Common Stock, at an exercise price of \$6.20 per share (the "August 2024 Warrants") and which had a fair value of \$2.0 million.

The August 2024 Amendments to the 2021 Term Loan held by one lender was accounted for as a modification. The \$1.2 million fair value of the August 2024 Warrants issued to this lender and the \$0.5 million of PIK fees paid to this lender are reflected as a reduction to the carrying amount of their Term Loan and their initial delayed draw term loan and amortized to interest expense over the remaining term of the loan. The August 2024 Amendments to the 2021 Term Loan held by another lender was accounted for as a debt extinguishment. The Company recorded a loss on debt extinguishment of \$3.0 million related to the write-off of a portion of unamortized debt issuance costs and fees and expenses incurred with the August 2024 Amendments.

On April 2, 2025, the Company consented to an assignment (the "Master Assignment Agreement") of the 2021 Term Loan and 2024 Term Loans. One of the lenders sold and assigned all of its interests to Dialectic. The Master Assignment Agreement was accounted for as a debt extinguishment. The Company recorded a gain on debt extinguishment of \$2.4 million related to the net of discount on issuance of term loans to a new lender and write-off of all unamortized debt issuance costs and fees related to the previous lender. The \$0.4 million in new lender fees were recorded as a reduction to the carrying amounts of the term loans and amortized to interest expense over the remaining term of the loan.

On May 5, 2025, the Company entered into an amendment (the "May 2025 Term Loan Amendment") to the Term Loan. The May 2025 Term Loan Amendment, among other things, revised the prepayment requirements under the Credit Agreement in connection with the net cash proceeds received from the SEPA. The May 2025 Term Loan Amendment was accounted for as a modification and the \$0.1 million in lender amendment fees were recorded as a reduction to the carrying amounts of the term loans and amortized to interest expense over the remaining term of the loan.

On August 13, 2025, the Company terminated its PNC Credit Facility. As of the date of termination, there were no amounts outstanding under the facility. In connection with the termination, the Company paid an exit fee of \$1.2 million, which was recorded within Loss on Debt Extinguishment on the condensed consolidated statement of operations and comprehensive loss.

On August 13, 2025, the Company obtained waivers to certain covenants including the net leverage covenant under the Term Loan Credit Agreement for the quarter ended June 30, 2025. Additionally, the requirement to use certain proceeds of the SEPA to pay down the Term Loan was waived.

On September 23, 2025, the Company entered into a Transaction Agreement (the "Transaction Agreement") with the lenders under its Credit Agreement. Pursuant to this agreement, the Company agreed will issue to Dialectic Technology SPV LLC ("Dialectic"), on a dollar-for-dollar basis, one or more senior secured convertible notes (the "Convertible Note") in exchange for the amounts then outstanding under the term loans held by Dialectic (the "Debt Exchange"). The closing of the Debt Exchange is subject to customary conditions, including approval by the Company's stockholders. As of September 30, 2025, such approval has not been obtained, and the Debt Exchange had not occurred. As of September 30, 2025, total Term Loans outstanding to Dialectic was \$52.6 million.

On September 23, 2025, the Company also entered into the Fifteenth Amendment to the Term Loan Credit Agreement (the "Fifteenth Amendment"). The Fifteenth Amendment, among other things, (i) permits the Company to retain up to \$15.0 million of net cash proceeds from the SEPA received on or after the date of the Fifteenth Amendment for working capital and general corporate purposes, (ii) converts certain tranches of term loans held by the OC III Lenders into new and separate tranches, (iii) defers payment of cash interest on term loans held by Dialectic accruing during the quarters ending September 30, 2025 and December 31, 2025, until the earliest of (a) the date the Company elects to pay such deferred cash interest, (b) the maturity of such term loans, or (c) the date the Debt Exchange occurs, at which point such deferred interest will be subject to the terms of the Convertible Note indenture, and increases the interest rate applicable to such term loans by 2.00% during the period that such cash interest is being deferred, (iv) eliminates the existing maximum total net leverage ratio covenant and minimum daily liquidity covenant (noting that, following the Debt Exchange, the Convertible Notes will be subject to a minimum liquidity covenant), and (v) amends certain other provisions, including mandatory prepayment events, payment of fees and expenses, and reporting requirements.

In connection with the Fifteenth Amendment, the Company issued warrants to Dialectic to purchase up to 2,653,308 shares of Common Stock, representing 19.9% of the Company's outstanding shares as of the Transaction Agreement date (the "Forbearance Warrant") as consideration for the forbearance, waivers, and amendments granted under the Fifteenth Amendment.

The Fifteenth Amendment to the Term Loans held by Dialectic was accounted for as an extinguishment under ASC 470-50, resulting in the recognition of a new debt instrument, the derecognition of the original term loans, and a loss on extinguishment of \$33.3 and \$30.7 million, which is included in loss on debt extinguishment for the three and six months ended September 30, 2025. The fair value of the Forbearance Warrant was treated as a lender fee and included in the extinguishment loss calculation. The Fifteenth Amendment to the Term Loans held by OC III Lenders was accounted for as a modification.

Related Party Transaction

The Term Loan and Forbearance Warrant with Dialectic constitute related party transactions, as John Fichthorn, a member of the Company's Board of Directors, is also Managing Partner of Dialectic Capital Management, the investment advisor to Dialectic. The principal on the Term Loan totaled \$52.6 million as of September 30, 2025, and is payable at maturity. The Forbearance Warrant allows Dialectic to purchase up to 2,653,308 shares, with a fair value of \$23.9 million as of that date.

Forbearance Warrant

The Forbearance Warrant, issued on September 23, 2025, has an exercise price of \$8.81 per share, representing 80% of the seven-day volume-weighted average price as of September 22, 2025, and is exercisable until the seventh anniversary of its issuance. It includes a put right that allows the holder to require the Company to repurchase the unexercised portion for cash after the fifth anniversary, or earlier upon a change of control or liquidation. The repurchase price equals the holder's pro rata share of the original issue value of \$20 million, adjusted for any exercised portion.

The Forbearance Warrant is classified as a liability under ASC 480, as it may require cash settlement and meets the definition of a derivative. It is initially measured at fair value, with subsequent changes recognized in the condensed consolidated statement of operations under "Change in fair value of warrant liabilities." See Note 5: *Fair Value of Financial Instruments* for more information.

Standby Equity Purchase Agreement

On January 25, 2025, the Company entered into the SEPA, in which pursuant to and subject to its terms, the Company has the right, but not the obligation, to sell up to \$200 million of Common Stock at any time during the three-year period following the date of the SEPA.

As of September 30, 2025, the Company has issued approximately 7.5 million shares of Common Stock under the SEPA for net proceeds of approximately \$82.8 million, of which 6.3 million shares of Common Stock for net proceeds of approximately \$66.3 million were issued in the six months ended September 30, 2025. No shares were issued in the three months ended September 30, 2025.

NOTE 5: FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's assets measured and recorded at fair value on a recurring basis may consist of money market funds, which are included in cash and cash equivalents in the condensed consolidated balance sheets. These instruments are valued using quoted market prices in active markets (Level 1 fair value measurements) at the respective balance sheet dates.

No impairment charges were recognized for non-financial assets for the three and six months ended September 30, 2025 and 2024. The Company has no non-financial liabilities measured and recorded at fair value on a non-recurring basis.

Long-Term Debt

The Company's financial liabilities were comprised primarily of long-term debt as of September 30, 2025. The carrying amounts of the Company's debt instruments are recorded at amortized cost. The fair value of the Company's long-term debt is disclosed for informational purposes only and is not recognized in the condensed consolidated balance sheets.

The fair value of the Company's debt was estimated using a discounted cash flow approach based on the Company's current borrowing rates for similar types of debt instruments, adjusted for credit and nonperformance

risk. The Company uses significant other observable market data and assumptions (Level 2 inputs, as defined in ASC 820, Fair Value Measurement) that it believes market participants would use in pricing such debt.

The carrying value and estimated fair value of the Company's long-term debt were as follows (in thousands):

	September 30, 2025		March 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Term Loans	\$ 106,086	\$ 99,135	\$ 102,507	\$ 91,576
PNC Credit Facility	—	—	26,600	24,755

Warrants

On September 23, 2025, the Company established the initial fair value for the Forbearance Warrant issued to Dialectic in connection with the Fifteenth Amendment. The fair value was subsequently remeasured as of September 30, 2025, and the resulting change in fair value was recognized in the condensed consolidated statement of operations under "Change in fair value of warrant liabilities."

The Forbearance Warrant was valued using a Monte Carlo simulation model in conjunction with a Probability-Weighted Expected Return Model ("PWERM"). This model incorporates various assumptions, including the Company's Common Stock price, expected volatility, risk-free interest rate, and the remaining contractual term of the warrant.

Because the valuation relies on significant unobservable inputs, the fair value of the Forbearance Warrant is classified as Level 3 within the fair value hierarchy.

The following table summarizes the key assumptions used in estimating the fair value of the Forbearance Warrant at issuance and at September 30, 2025:

	September 30, 2025	September 23, 2025
Discount period (years)	6.98 years	7.0 years
Risk-free interest rate	3.57% - 3.89%	3.52% - 3.83%
Stock price volatility	98.00%	98.00%
Stock price at valuation date	\$9.92	\$10.69
Probability ¹	35% - 15% - 50%	35% - 15% - 50%
Fair value (in thousands)	\$23,895	\$25,420

⁽¹⁾ Scenario probability as of issuance was based on timing expectations of management that a liquidation event occurring was estimated at 35%; a fundamental transaction occurring was estimated at 15%; and none of the previous events was estimated at 50%.

The table below sets forth a summary of changes in the fair value of the Company's warrant liabilities for the period ended September 30, 2025:

Balance at June 30, 2025	\$	—
Issuance of warrants		25,420
Change in fair value of warrant liabilities		(1,525)
Balance at September 30, 2025	\$	23,895

NOTE 6: LEASES

Supplemental balance sheet information related to leases is as follows (in thousands):

Operating Leases	September 30, 2025		March 31, 2025	
Operating lease right-of-use asset	\$	7,983	\$	8,580
Operating lease liability within other accrued liabilities	\$	702	\$	856
Operating lease liability, net		8,602		8,934
Total operating lease liabilities	\$	9,304	\$	9,790

Components of lease cost were as follows (in thousands):

Lease Cost	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Operating lease cost	\$ 472	\$ 779	\$ 1,141	\$ 1,491
Variable lease cost	36	82	75	152
Total lease cost	\$ 508	\$ 861	\$ 1,216	\$ 1,643

Maturity of Lease Liabilities	Operating Leases	
Remainder of fiscal year 2026	\$	1,099
2027		1,852
2028		1,625
2029		1,247
2030		1,244
Thereafter		10,855
Total lease payments		17,922
Less: imputed interest		(8,618)
Present value of lease liabilities	\$	9,304

Lease Term and Discount Rate	September 30, 2025		March 31, 2025	
Weighted average remaining operating lease term (years)		10.21		10.19
Weighted average discount rate for operating leases		12.6 %		12.59 %

Operating cash outflows related to operating leases each totaled \$1.1 million and \$1.4 million for the six months ended September 30, 2025 and 2024, respectively.

NOTE 7: RESTRUCTURING CHARGES

During the quarters ended September 30, 2025 and 2024, the Company had certain approved restructuring plans to improve operational efficiencies and rationalize its cost structure. During the quarter ended September 30, 2025, the Company recognized \$3.2 million of restructuring charges primarily related to employee severance and other termination benefits. These charges are presented within restructuring charges in the Condensed Consolidated Statements of Operations. The Company expects to recognize additional restructuring charges in future periods, primarily related to severance and termination benefits, and is expected to be substantially complete by the end of the fourth quarter of fiscal year 2026, which is subject to change.

The following tables present the activity and the estimated timing of future payouts for accrued restructuring included in other current liabilities in the condensed consolidated balance sheets (in thousands):

	Severance and Benefits	
Balance as of March 31, 2024	\$	—
Restructuring charges		1,571
Cash payments		(1,511)
Other non-cash		(2)
Balance as of September 30, 2024	\$	58
Balance as of March 31, 2025	\$	786
Restructuring charges		5,616
Cash payments		(5,599)
Other non-cash		52
Balance as of September 30, 2025	\$	855

During the three and six months ended September 30, 2025, the Company recognized approximately \$0.2 million and \$0.3 million in forfeitures of unvested restricted stock units (“RSUs”) in connection with workforce reductions and employee departures.

NOTE 8: NET LOSS PER SHARE

The Company has performance share units, restricted stock units and options to purchase shares under its Employee Stock Purchase Plan, as amended and restated on July 25, 2023 (“ESPP”), granted under various stock incentive plans that, upon exercise and vesting, would increase shares outstanding. The Company has also issued a warrant to purchase shares of Common Stock.

The dilutive impact related to shares of Common Stock from incentive plans and the outstanding warrant is determined by applying the treasury stock method to the assumed vesting of outstanding performance share units and restricted stock units and the exercise of outstanding options and warrants. The dilutive impact related to shares of Common Stock from contingently issuable performance share units is determined by applying a two-step approach using both the contingently issuable share guidance and the treasury stock method. In periods of a net loss, all potentially dilutive weighted-average outstanding shares of Common Stock equivalents were excluded from the computation of diluted net income (loss) per share attributable to common stockholders for the periods presented because including them would have been anti-dilutive.

The following weighted-average outstanding shares of Common Stock equivalents were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been anti-dilutive (in thousands):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Stock Awards	104	11	91	24

The Company had outstanding market based restricted stock units as of September 30, 2025 that were eligible to vest into shares of the Common Stock subject to the achievement of certain stock price targets in addition to a time-based vesting period. These contingently issuable shares are excluded from the computation of diluted earnings per share if, based on current period results, the shares would not be issuable if the end of the reporting period were the end of the contingency period. There were 34,201 shares of contingently issuable market-based restricted stock units that were excluded from the table above as the market conditions were not satisfied as of September 30, 2025.

NOTE 9: INCOME TAXES

The effective tax rate for the three months and six months ended September 30, 2025 and 2024 was (0.4)% and (0.6)%, as compared to (2.3)% and (1.6)% respectively. The effective tax rates differed from the federal statutory tax rate of 21% during each of these periods due primarily to unbenefited losses experienced in jurisdictions with

valuation allowances on deferred tax assets as well as the forecasted mix of earnings in domestic and international jurisdictions.

As of September 30, 2025, including interest and penalties, the Company had \$83.6 million of unrecognized tax benefits, \$74.4 million of which, if recognized, would favorably affect the effective tax rate without consideration of the valuation allowance. As of September 30, 2025, the Company had accrued interest and penalties related to these unrecognized tax benefits of \$1.3 million. The Company recognizes interest and penalties related to income tax matters in the income tax provision in the condensed consolidated statements of operations. As of September 30, 2025, \$76.0 million of unrecognized tax benefits were recorded as a contra deferred tax asset in other long-term assets in the condensed consolidated balance sheets and \$7.6 million (including interest and penalties) were recorded in other long-term liabilities in the condensed consolidated balance sheets. During the next 12 months, it is reasonably possible that approximately \$5.3 million of tax benefits, inclusive of interest and penalties, that are currently unrecognized could be recognized as a result of the expiration of applicable statutes of limitations. Upon recognition of the tax benefit related to the expiring statutes of limitation, \$5.2 million will be offset by the establishment of a related valuation allowance. The net tax benefit recognized in the statements of operation is estimated to be \$0.1 million.

On July 4, 2025, President Trump signed into law the legislation commonly referred to as the One Big Beautiful Bill Act ("OBBBA"). The OBBBA includes various provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The OBBBA has multiple effective dates, with certain provisions effective in 2025 and others being implemented through 2027. While there is no material impact to the Company's condensed consolidated financial statements for the quarter ended September 30, 2025, the Company is assessing its impact on the consolidated financial statements that would take effect beginning in the period in which the OBBBA was signed into law.

NOTE 10: COMMITMENTS AND CONTINGENCIES

Commitments to Purchase Inventory

The Company uses contract manufacturers for its manufacturing operations. Under these arrangements, the contract manufacturer procures inventory to manufacture products based upon the Company's forecast of customer demand. The Company has similar arrangements with certain other suppliers. The Company is responsible for the financial impact on the supplier or contract manufacturer of any reduction or product mix shift in the forecast relative to materials that the third party had already purchased under a prior forecast. Such a variance in forecasted demand could require a cash payment for inventory in excess of current customer demand or for costs of excess or obsolete inventory. As of September 30, 2025, the Company had issued non-cancelable commitments for \$45.0 million to purchase inventory from its contract manufacturers and suppliers.

Litigation

On September 4, 2025, a shareholder class action complaint was filed in the United States District Court for the District of Colorado. The complaint identifies Seung Lee as the plaintiff and names Quantum Corporation and James J. Lerner, Kenneth P. Gianella, and Laura Nash as defendants. It alleges certain violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 related to certain disclosures made in the Company's quarterly and annual reports regarding its financial reporting for the third quarter of the Company's fiscal year 2025 and its restatement of that financial reporting. The complaint seeks to designate the plaintiff as the lead plaintiff for the class and define a class period of November 15, 2024 through August 18, 2025, and seeks an award of unspecified damages, costs, and expenses. At this time, Quantum is not able to determine whether this lawsuit would have any material impact on our business, operating results, or financial condition.

On October 28, 2025, a shareholder derivative complaint was filed in the United States District Court for the District of Colorado. The complaint was filed by Brent Cullison derivatively on behalf of Quantum Corporation against James J. Lerner, Kenneth P. Gianella, Laura Nash, Don Jaworski, John Fichthorn, Hugues Meyrath, John R. Tracy, Emily White, James C. Clancy, and Tony J. Blevins. The complaint substantially repeats the allegations of the shareholder litigation described above and alleges related breaches of fiduciary duties and other causes of action. The complaint seeks recovery of damages sustained by Quantum arising from the allegations, as well as fees and costs incurred.

Another shareholder derivative complaint was filed in the same court on November 4, 2025. That complaint names Felicia Marti on behalf of Quantum Corporation as the plaintiff, with James J. Lerner, Kenneth P. Gianella, Laura Nash, John Fichthorn, Donald J. Jaworski, Hugues Meyrath, John R. Tracy, and Emily White named as defendants. The complaint substantially repeats the allegations of the Cullison derivative litigation and seeks relief of recovery of damages sustained by Quantum arising from the allegations, certain corporate governance reforms, and fees and costs incurred.

At this time, Quantum is not able to determine whether the derivative lawsuits would have any material impact on our business, operating results, or financial condition.

Additionally, from time to time, the Company is party to various legal proceedings and claims arising from the normal course of business activities. Based on current available information, the Company does not expect that the ultimate outcome of any currently pending matters, individually or in the aggregate, will have a material adverse effect on the Company's results of operations, cash flows or financial position.

NOTE 11: SEGMENT INFORMATION

Our chief operating decision maker ("CODM"), the Chief Executive Officer, manages business activities as a single operating and reportable segment at the consolidated level. The CODM reviews and utilizes consolidated financial information, including revenue, gross profit, operating loss and net loss as reported on the condensed consolidated statements of operations, to assess performance and allocate resources to support strategic priorities. Condensed consolidated net loss is our segment's primary measure of profit or loss. The measure of segment assets is reported on the condensed consolidated balance sheets as total consolidated assets.

Our CODM reviews the following significant segment expenses, which are each separately disclosed and presented in the condensed consolidated statements of operations: cost of revenue for product, cost of revenue for subscription services, research and development expenses, sales and marketing expenses, and general and administrative expenses. Other segment items within condensed consolidated net loss include restructuring and impairment expenses, other income (expense), net and income tax provision. Other significant noncash segment expenses include stock-based compensation, depreciation and amortization and fair value adjustments on warrant liabilities.

Disaggregation of Revenue

The following table depicts the disaggregation of revenue by geographic areas and major product offerings and geographies and is consistent with how the CODM evaluates its financial performance (in thousands):

	Three Months Ended September 30,				Six Months Ended September 30,				
	2025		2024		2025		2024		
Americas¹									
Product revenue	\$	20,937	\$	21,845	\$	43,689	\$	46,424	
Service and subscription		14,988		16,680		29,347		31,389	
Total revenue		35,925	57 %	38,525	54 %	73,036	57 %	77,813	54 %
EMEA									
Product revenue		10,849		12,455		20,832		25,974	
Service and subscription		8,423		11,299		16,905		20,701	
Total revenue		19,272	31 %	23,754	33 %	37,737	30 %	46,675	32 %
APAC									
Product revenue		3,582		4,978		8,384		9,533	
Service and subscription		2,209		2,226		4,311		4,825	
Total revenue		5,791	9 %	7,204	10 %	12,695	10 %	14,358	10 %
Consolidated									
Product revenue		35,368		39,278		72,905		81,931	
Service and subscription		25,620		30,205		50,563		56,915	
Royalty ²		1,727	3 %	2,363	3 %	3,534	3 %	5,265	4 %
Total revenue	\$	62,715	100 %	71,846	100 %	127,002	100 %	144,111	100 %

¹ Revenue for the Americas geographic region outside of the United States is not significant.

² Royalty revenue is not allocatable to geographic regions.

Revenue by Solution

	Three Months Ended September 30,				Six Months Ended September 30,							
	2025	%	2024	%	2025	%	2024	%				
Primary storage systems	\$	10,968	17 %	\$	12,204	17 %	\$	23,497	18 %	\$	29,798	21 %
Secondary storage systems		19,778	32 %		23,333	33 %		38,285	30 %		39,744	27 %
Device and media		7,550	12 %		7,827	11 %		17,492	14 %		17,428	12 %
Service		22,692	36 %		26,119	36 %		44,194	35 %		51,876	36 %
Royalty		1,727	3 %		2,363	3 %		3,534	3 %		5,265	4 %
Total revenue ¹	\$	62,715	100 %	\$	71,846	100 %	\$	127,002	100 %	\$	144,111	100 %

¹ Subscription revenue of \$6.4 million and \$5.0 million was allocated to primary and secondary storage systems for the three months ended September 30, 2025 and 2024, respectively. Subscription revenue of \$2.9 million and \$4.1 million was allocated to primary and secondary storage systems for the six months ended September 30, 2025 and 2024, respectively.

Net Loss

The following table shows reported segment revenue, segment profit or loss, and significant segment expenses were as follows: (in thousands):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Total revenue	\$ 62,715	\$ 71,846	\$ 127,002	\$ 144,111
Total cost of revenue	39,163	41,201	80,736	86,410
Gross profit	23,552	30,645	46,266	57,701
Gross margin	37.6 %	42.7 %	36.4 %	40.0 %
Operating expenses				
Salaries & fringe ¹	16,731	21,244	34,733	42,667
Outside services ²	4,763	7,690	12,439	20,884
Infrastructure ³	2,330	2,882	4,852	5,790
Operational costs ⁴	2,060	2,440	4,392	4,796
Restructuring	3,193	383	5,616	1,574
Other ⁵	2,633	1,563	4,987	4,350
Total operating expenses	31,710	36,202	67,019	80,061
Loss from operations	(8,158)	(5,557)	(20,753)	(22,360)
Other income (expense), net	(185)	(1,334)	(616)	(1,375)
Interest expense	(6,227)	(6,131)	(12,743)	(9,921)
Change in fair value of warrant liabilities	1,525	3,550	1,525	5,216
Loss on debt extinguishment	(33,254)	(2,308)	(30,695)	(3,003)
Loss before income taxes	(46,299)	(11,780)	(63,282)	(31,443)
Income tax provision	157	370	380	605
Net loss	\$ (46,456)	\$ (12,150)	\$ (63,662)	\$ (32,048)

¹ Salaries & fringe includes spend on contractors.

² Outside services includes contractor, recruiting and legal expenses.

³ Infrastructure includes property related expenses, including fixed and variable lease expense, telecommunications and depreciation.

⁴ Operational costs include dues and subscriptions, computer expenses, office supplies and other miscellaneous items.

⁵ Other segment items includes travel related spend, marketing expense, taxes, fees and other miscellaneous items.

NOTE 12: REVISION OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements for the three and six months ended September 30, 2024 have been revised.

The nature of the revisions is as follows:

- a. Service contract term - The Company identified that there were inconsistencies in the period used to recognize service and subscription revenue, which is deferred under Topic 606 and recognized ratably over the contractual term of the contract. The Company's management reviewed and updated the periods over which revenue was being recognized to ensure consistent application for all service contracts invoiced in the fiscal year ended March 31, 2025, and the results have been applied to revenue.
- b. Application of Topic 606 related to standalone selling price - The Company also determined that the standalone selling price that was being used for the fiscal year ended March 31, 2025 needed to be updated resulting in an adjustment to revenue. Standalone selling price has now been refreshed for all goods and services sold in a bundled contract under Topic 606, maximizing the use of observable inputs.

The following tables present the impact of the revisions to the unaudited condensed consolidated financial statements as of and for the three and six months ended September 30, 2024 (in thousands, unaudited):

CONDENSED CONSOLIDATED BALANCE SHEET

	September 30, 2024			
	As previously reported	Revisions	Reference	As revised
Liabilities and Stockholders' Deficit				
Deferred revenue, current portion	\$ 69,369	\$ (3,868)	a, b	\$ 65,501
Total current liabilities	134,601	(3,868)		130,733
Deferred revenue, net of current portion	37,164	1,569	a, b	38,733
Total liabilities	316,549	(2,299)		314,250
Stockholders' deficit				
Accumulated deficit	(861,727)	2,299	a, b	(859,428)
Total stockholders' deficit	(153,403)	2,299		(151,104)
Total liabilities and stockholders' deficit	\$ 163,146	\$ —		\$ 163,146

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three Months Ended September 30, 2024				Six Months Ended September 30, 2024			
	As previously reported	Revisions	Reference	As revised	As previously reported	Revisions	Reference	As revised
Revenue:								
Product	\$ 36,785	\$ 2,493	b	\$ 39,278	\$ 77,779	\$ 4,152	b	\$ 81,931
Service and subscription	31,321	(1,116)	a, b	30,205	58,768	(1,853)	a, b	56,915
Gross profit	29,268	1,377		30,645	55,402	2,299		57,701
Gain (loss) from operations	(6,934)	1,377		(5,557)	(24,659)	2,299		(22,360)
Net gain (loss) before income taxes	(13,157)	1,377		(11,780)	(33,742)	2,299		(31,443)
Net loss	\$ (13,527)	\$ 1,377		\$ (12,150)	\$ (34,347)	\$ 2,299		\$ (32,048)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended September 30, 2024			
	As previously reported	Revisions	Reference	As revised
Operating activities				
Net loss	\$ (34,347)	\$ 2,299	a, b	\$ (32,048)
Adjustments to reconcile net loss to net cash used in operating activities				
Deferred revenue	(10,153)	(2,299)	a, b	(12,452)
Net cash used in operating activities	\$ (17,194)	\$ —		\$ (17,194)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT

Three Months Ended	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Amount				
Balance, June 30, 2024, as revised	4,792	\$ 48	\$ 708,952	\$ (847,278)	\$ (2,051)	\$ (140,329)
Net loss	—	—	—	(12,150)	—	(12,150)
Foreign currency translation adjustments, net	—	—	—	—	659	659
Stock-based compensation	—	—	716	—	—	716
Balance, September 30, 2024, as revised	4,792	\$ 48	\$ 709,668	\$ (859,428)	\$ (1,392)	\$ (151,104)

Six Months Ended	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Amount				
Balance, March 31, 2024	4,792	\$ 48	\$ 708,027	\$ (827,380)	\$ (2,193)	\$ (121,498)
Net loss	—	—	—	(32,048)	—	(32,048)
Foreign currency translation adjustments, net	—	—	—	—	801	801
Stock-based compensation	—	—	1,641	—	—	1,641
Balance, September 30, 2024, as revised	4,792	\$ 48	\$ 709,668	\$ (859,428)	\$ (1,392)	\$ (151,104)

NOTE 13: SUBSEQUENT EVENTS

During the period from October 1, 2025 through November 10, 2025, the Company issued approximately 0.3 million shares of Common Stock under the SEPA for net proceeds of approximately \$2.8 million.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis compares the change in the consolidated financial statements for quarters and six months ended September 30, 2025 and September 30, 2024, and should be read together with our condensed consolidated financial statements and the related notes thereto included in this Quarterly Report on Form 10-Q, and the audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2025 (the "Annual Report"). In particular, the risk factors contained in Part I, Item 1A of the Annual Report under the heading "Risk Factors" may reflect trends, demands, commitments, events, or uncertainties that could materially impact our results of operations and liquidity and capital resources. For comparisons of quarters and six months ended September 30, 2024 and September 30, 2023, see our Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 2 of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, filed with the SEC on November 14, 2024, and incorporated herein by reference. Our fiscal year ends on March 31 of each calendar year. "Fiscal 2025" refers to the fiscal year ended March 31, 2025.

The following discussion contains forward-looking statements, such as statements regarding anticipated impacts on our business, our future operating results and financial position, our business strategy and plans, our market growth and trends, and our objectives for future operations. Please see "Note Regarding Forward-Looking Statements" for more information about relying on these forward-looking statements.

OVERVIEW

We are a technology company whose mission is to deliver innovative solutions to organizations across the world. We design, manufacture and sell technology and services that help customers capture, create and share digital content, and protect it for decades. We emphasize innovative technology in the design and manufacture of our products to help our customers unlock the value in their video and unstructured data in new ways to solve their most pressing business challenges.

We generate revenue by designing, manufacturing, and selling technology and services. Our most significant expenses are related to compensating employees; designing, manufacturing, marketing, and selling our products and services; data center costs in support of our cloud-based services; and interest associated with our long-term debt and income taxes.

Macroeconomic Conditions

We continue to actively monitor, evaluate and respond to the current uncertain macro environment, including the impact of changing interest rates, inflation, tariffs, lingering supply chain challenges, and fluctuation in the U.S. dollar. During the quarter we continued to experience longer sales cycle for opportunities with our enterprise as well as commercial customers.

The macro environment remains unpredictable and our past results may not be indicative of future performance.

RESULTS OF OPERATIONS

(in thousands)	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Total revenue	\$ 62,715	\$ 71,846	\$ 127,002	\$ 144,111
Total cost of revenue ⁽¹⁾	39,163	41,201	80,736	86,410
Gross profit	23,552	30,645	46,266	57,701
Operating expenses				
Sales and marketing ⁽¹⁾	11,819	13,578	24,474	26,873
General and administrative ⁽¹⁾	11,006	13,977	24,576	35,042
Research and development ⁽¹⁾	5,692	8,264	12,353	16,572
Restructuring charges ⁽¹⁾	3,193	383	5,616	1,574
Total operating expenses	31,710	36,202	67,019	80,061
Loss from operations	(8,158)	(5,557)	(20,753)	(22,360)
Other income (expense), net	(185)	(1,334)	(616)	(1,375)
Interest expense	(6,227)	(6,131)	(12,743)	(9,921)
Change in fair value of warrant liabilities	1,525	3,550	1,525	5,216
Loss on debt extinguishment	(33,254)	(2,308)	(30,695)	(3,003)
Loss before income taxes	(46,299)	(11,780)	(63,282)	(31,443)
Income tax provision	157	370	380	605
Net loss	\$ (46,456)	\$ (12,150)	\$ (63,662)	\$ (32,048)

⁽¹⁾ Includes stock-based compensation as follows:

(in thousands)	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Cost of revenue	\$ 41	\$ 76	\$ (567)	\$ 266
Research and development	19	161	87	349
Sales and marketing	(82)	85	(6)	173
General and administrative	346	394	281	853
Total	\$ 324	\$ 716	\$ (205)	\$ 1,641

Comparison of the Three Months Ended September 30, 2025 and 2024

Revenue

(dollars in thousands)	Three Months Ended September 30,					
	2025	% of revenue	2024	% of revenue	\$ Change	% Change
Product revenue	\$ 35,368	56 %	\$ 39,278	55 %	\$ (3,910)	(10)%
Service and subscription	25,620	41 %	30,205	42 %	(4,585)	(15)%
Royalty	1,727	3 %	2,363	3 %	(636)	(27)%
Total revenue	\$ 62,715	100 %	\$ 71,846	100 %	\$ (9,131)	(13)%

Product Revenue

In the three months ended September 30, 2025, product revenue decreased \$3.9 million, or 10%, as compared to the same period in fiscal 2025. The primary driver of the decrease was due to large orders in the prior period across secondary and primary storage.

Service and Subscription Revenue

Service and subscription revenue decreased \$4.6 million, or 15%, in the three months ended September 30, 2025 compared to the same period in fiscal 2025. This decrease was due to certain long-lived products reaching their end-of-service-life.

Royalty Revenue

We receive royalties from third parties that license our linear-tape open media patents through our membership in the linear-tape open consortium. Royalty revenue decreased \$0.6 million, or 27%, in the three months ended September 30, 2025 compared to the same period in fiscal 2025 due to both lower market volume and a mix weighted towards linear-tape-open ("LTO") types with lower royalty rates.

Gross Profit and Margin

(dollars in thousands)	Three Months Ended September 30,					
	2025	Gross margin %	2024	Gross margin %	\$ Change	Basis point change
Product	\$ 6,620	18.7 %	\$ 9,504	24.2 %	\$ (2,884)	(550)
Service and subscription	15,205	59.3 %	18,778	62.2 %	(3,573)	(290)
Royalty	1,727	100.0 %	2,363	100.0 %	(636)	—
Gross profit	<u>\$ 23,552</u>	<u>37.6 %</u>	<u>\$ 30,645</u>	<u>42.7 %</u>	<u>\$ (7,093)</u>	<u>(510)</u>

Gross profit and margin percentages are key metrics that management monitors to assess the performance on the business.

Product Gross Margin

Product gross margin decreased by \$2.9 million, or by 550 basis points, for the three months ended September 30, 2025, as compared with the same period in fiscal 2025. This decrease was primarily due to an inventory provision accrued for certain end-of-life products, as well as an overall mix weighted towards lower margin products.

Service and Subscription Gross Margin

Service and subscription gross margins decreased 290 basis points for the three months ended September 30, 2025, as compared with the same period in fiscal 2025. This decrease was primarily driven by reduced revenue as many long-lived products reach their end-of-service life. To mitigate these declines, costs of service has been reduced across the organization, including logistics, repair, and labor.

Royalty Gross Margin

Royalties do not have significant related cost of sales.

Operating Expenses

(dollars in thousands)	Three Months Ended September 30,					
	2025	% of revenue	2024	% of revenue	\$ Change	% Change
Sales and marketing	\$ 11,819	19 %	\$ 13,578	19 %	\$ (1,759)	(13)%
General and administrative	11,006	18 %	13,977	19 %	(2,971)	(21)%
Research and development	5,692	9 %	8,264	12 %	(2,572)	(31)%
Restructuring charges	3,193	5 %	383	1 %	2,810	734 %
Total operating expenses	<u>\$ 31,710</u>	<u>51 %</u>	<u>\$ 36,202</u>	<u>50 %</u>	<u>\$ (4,492)</u>	<u>(12)%</u>

In the three months ended September 30, 2025, sales and marketing expenses decreased \$1.8 million, or 13%, as compared with the same period in fiscal 2025. This decrease was primarily driven by improved operational efficiency and increased leverage of our channel.

In the three months ended September 30, 2025, general and administrative expenses decreased \$3.0 million, or 21%, as compared with the same period in fiscal 2025. This decrease was primarily driven by higher expense in the prior year related to compliance focused outside services.

In the three months ended September 30, 2025, research and development expenses decreased \$2.6 million, or 31%, as compared with the same period in fiscal 2025. This decrease was the result of efficiencies realized through improved organization design, including the consolidation of common functions and increased weighting of resources in lower-cost regions.

In the three months ended September 30, 2025, restructuring expenses increased \$2.8 million, or 734% as compared with the same period in fiscal 2025. This increase in restructuring expenses primarily involves workforce reductions and related severance and termination benefits. These actions are part of management's ongoing efforts to align the Company's organizational structure and resources with its strategic priorities and to streamline operations across business units.

The Company expects these initiatives to result in future cost savings and productivity improvements beginning in fiscal 2026. The restructuring activities are expected to be substantially completed by the end of the fourth quarter of fiscal year 2026; however, the timing and total amount of charges are subject to change as implementation progresses.

Other Income (Expense), net

(dollars in thousands)	Three Months Ended September 30,					
	2025	% of revenue	2024	% of revenue	\$ Change	% Change
Other income (expense), net	\$ (185)	0 %	\$ (1,334)	(2)%	\$ 1,149	86 %

The change in other income (expense), net during the three months ended September 30, 2025 compared with the same period in fiscal 2025 was related primarily to fluctuations in foreign currency exchange rates during the three months ended September 30, 2025.

Interest Expense

(dollars in thousands)	Three Months Ended September 30,					
	2025	% of revenue	2024	% of revenue	\$ Change	% Change
Interest expense	\$ (6,227)	(10)%	\$ (6,131)	(9)%	\$ (96)	2 %

In the three months ended September 30, 2025, interest expense increased \$0.1 million, or 2%, as compared with the same period in fiscal 2025 due to a higher effective interest rate on our Term Loan.

Warrant Liabilities

(dollars in thousands)	Three Months Ended September 30,					
	2025	% of revenue	2024	% of revenue	\$ Change	% Change
Change in fair value of warrant liabilities	\$ 1,525	2 %	\$ 3,550	6 %	\$ (2,025)	(57)%

In the three months ended September 30, 2025, we recorded a non-cash gain of \$1.5 million related to the change in fair value of our Forbearance Warrant liabilities. In the three months ended September 30, 2024, we recorded a non-cash gain of \$3.6 million.

Loss on Debt Extinguishment

(dollars in thousands)	Three Months Ended June 30,					
	2025	% of revenue	2024	% of revenue	\$ Change	% Change
Loss on debt extinguishment	\$ (33,254)	(48)%	\$ (2,308)	(3)%	\$ (30,946)	1,341 %

In September 30, 2025, loss on debt extinguishment was related to the net of discount on issuance of term loans to a new lender and write-off of all unamortized debt issuance costs and fees. In September 30, 2024, loss on debt extinguishment was related to prepayment of our long-term debt.

Income Taxes

(dollars in thousands)	Three Months Ended September 30,					
	2025	% of pretax income	2024	% of pretax income	\$ Change	% Change
Income tax provision	\$ 157	— %	\$ 370	(3)%	\$ (213)	(58)%

The income tax provision for the three months ended September 30, 2025 and 2024 is primarily influenced by foreign and state income taxes. Due to our history of net losses in the United States, the protracted period for utilizing tax attributes in certain foreign jurisdictions, and the difficulty in predicting future results, we believe that we cannot rely on projections of future taxable income to realize most of our deferred tax assets. Accordingly, we have established a full valuation allowance against our U.S. and certain foreign net deferred tax assets. Significant management judgment is required in assessing our ability to realize any future benefit from our net deferred tax assets. We intend to maintain this valuation allowance until sufficient positive evidence exists to support its reversal. Our income tax expense recorded in the future will be reduced to the extent that sufficient positive evidence materializes to support a reversal of, or decrease in, our valuation allowance.

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act (OBBBA), which includes various tax law changes effective beginning in 2025; while the Act had no material impact on the Company's third-quarter 2025 results, the Company is evaluating its future effects.

Comparison of the Six Months Ended September 30, 2025 and 2024

Revenue

(dollars in thousands)	Six Months Ended September 30,					
	2025	% of revenue	2024	% of revenue	\$ Change	% Change
Product revenue	\$ 72,905	57 %	\$ 81,931	57 %	\$ (9,026)	(11)%
Service and subscription	50,563	40 %	56,915	39 %	(6,352)	(11)%
Royalty	3,534	3 %	5,265	4 %	(1,731)	(33)%
Total revenue	\$ 127,002	100 %	\$ 144,111	100 %	\$ (17,109)	(12)%

Product Revenue

In the six months ended September 30, 2025, product revenue decreased \$9.0 million, or 11%, as compared to the same period in fiscal 2025. The primary driver of the decrease was in Primary storage systems with a large video surveillance order in the prior period.

Service and Subscription Revenue

Service and subscription revenue decreased \$6.4 million, or 11%, in the six months ended September 30, 2025 compared to the same period in fiscal 2025. This decrease was due to certain long-lived products reaching their end-of-service-life.

Royalty Revenue

We receive royalties from third parties that license our linear-tape open media patents through our membership in the linear-tape open consortium. Royalty revenue saw a decrease of \$1.7 million, or 33%, in the six months ended September 30, 2025 compared to the same period in fiscal 2025 due to both lower market volume and a mix weighted towards LTO types with lower royalty rates.

Gross Profit and Margin

(dollars in thousands)	Six Months Ended September 30,					
	2025	Gross margin %	2024	Gross margin %	\$ Change	Basis point change
Product	\$ 13,412	18.7 %	\$ 19,601	24.2 %	\$ (6,189)	(550)
Service and subscription	29,320	59.3 %	32,835	62.2 %	(3,515)	(290)
Royalty	3,534	100.0 %	5,265	100.0 %	(1,731)	—
Gross profit	\$ 46,266	37.6 %	\$ 57,701	42.7 %	\$ (11,435)	(510)

Gross profit and margin percentages are key metrics that management monitors to assess the performance on the business.

Product Gross Margin

Product gross margin decreased by \$6.2 million, or by 550 basis points, for the six months ended September 30, 2025, as compared with the same period in fiscal 2025. This decrease was primarily due to an inventory provision accrued for certain end-of-life products, as well as supply chain logistics costs including import tariffs.

Service and Subscription Gross Margin

Service and subscription gross margins decreased (290) basis points for the six months ended September 30, 2025, as compared with the same period in fiscal 2025. This decrease was primarily driven by reduced revenue as many long-lived products reach their end-of-service life. To mitigate these declines, costs of service has been reduced across the organization, including logistics, repair, and labor.

Royalty Gross Margin

Royalties do not have significant related cost of sales.

Operating Expenses

(dollars in thousands)	Six Months Ended September 30,					
	2025	% of revenue	2024	% of revenue	\$ Change	% Change
Sales and marketing	\$ 24,474	39 %	\$ 26,873	37 %	\$ (2,399)	(9)%
General and administrative	24,576	39 %	35,042	49 %	(10,466)	(30)%
Research and development	12,353	20 %	16,572	23 %	(4,219)	(25)%
Restructuring charges	5,616	9 %	1,574	2 %	4,042	257 %
Total operating expenses	\$ 67,019	107 %	\$ 80,061	111 %	\$ (13,042)	(16)%

In the six months ended September 30, 2025, sales and marketing expenses decreased \$2.4 million, or 9%, as compared with the same period in fiscal 2025. This decrease was primarily driven by improved operational efficiency and increased leverage of our channel.

In the six months ended September 30, 2025, general and administrative expenses decreased \$10.5 million, or 30%, as compared with the same period in fiscal 2025. This decrease was primarily driven by higher expense in the prior year related to compliance focused outside services.

In the six months ended September 30, 2025, research and development expenses decreased \$4.2 million, or 25%, as compared with the same period in fiscal 2025. This decrease was the result of efficiencies realized through improved organization design, including the consolidation of common functions and increased weighting of resources in lower-cost regions.

In the six months ended September 30, 2025, restructuring expenses increased \$4.0 million, or 257% as compared with the same period in fiscal 2025. The increase was the result of significant changes in management structure, and overall consolidation of resources designed to improve operational efficiencies and rationalize its cost structure. These actions are part of management's ongoing efforts to align the Company's organizational structure and resources with its strategic priorities and to streamline operations across business units. The restructuring plan primarily involves workforce reductions and related severance and termination benefits.

The Company expects these initiatives to result in future cost savings and productivity improvements beginning in fiscal 2026. The restructuring activities are expected to be substantially completed by the end of the fourth quarter of fiscal year 2026; however, the timing and total amount of charges are subject to change as implementation progresses.

Other Income (Expense), net

(dollars in thousands)	Six Months Ended September 30,					
	2025	% of revenue	2024	% of revenue	\$ Change	% Change
Other income (expense), net	\$ (616)	(1)%	\$ (1,375)	(2)%	\$ 759	55 %

The change in other income (expense), net during the six months ended September 30, 2025 compared with the same period in fiscal 2025 was related primarily to fluctuations in foreign currency exchange rates during the three months ended September 30, 2025.

Interest Expense

(dollars in thousands)	Six Months Ended September 30,					
	2025	% of revenue	2024	% of revenue	\$ Change	% Change
Interest expense	\$ (12,743)	(10)%	\$ (9,921)	(7)%	\$ (2,822)	28 %

In the six months ended September 30, 2025, interest expense increased \$0.1 million, or 2%, as compared with the same period in fiscal 2025 due to a higher effective interest rate on our Term Loan.

Warrant Liabilities

(dollars in thousands)	Six Months Ended September 30,					
	2025	% of revenue	2024	% of revenue	\$ Change	% Change
Change in fair value of warrant liabilities	\$ 1,525	1 %	\$ 5,216	4 %	\$ (3,691)	(71)%

In the six months ended September 30, 2025, we recorded a non-cash gain of \$1.5 million related to the change in fair value of our Forebearance Warrant liabilities. In the six months ended September 30, 2024, we recorded a non-cash gain of \$5.2 million.

Loss on Debt Extinguishment

(dollars in thousands)	Six Months Ended September 30,					
	2025	% of revenue	2024	% of revenue	\$ Change	% Change
Loss on debt extinguishment	\$ (30,695)	(24)%	\$ (3,003)	(2)%	\$ (27,692)	922 %

In September 30, 2025, loss on debt extinguishment was related to the net of discount on issuance of term loans to a new lender and write-off of all unamortized debt issuance costs and fees. In September 30, 2024, loss on debt extinguishment was related to prepayment of our long-term debt.

Income Taxes

(dollars in thousands)	Six Months Ended September 30,					
	2025	% of pretax income	2024	% of pretax income	\$ Change	% Change
Income tax provision	\$ 380	— %	\$ 605	(3)%	\$ (225)	(37)%

The income tax provision for the six months ended September 30, 2025 and 2024 is primarily influenced by foreign and state income taxes. Due to our history of net losses in the United States, the protracted period for utilizing tax attributes in certain foreign jurisdictions, and the difficulty in predicting future results, we believe that we cannot rely on projections of future taxable income to realize most of our deferred tax assets. Accordingly, we have established a full valuation allowance against our U.S. and certain foreign net deferred tax assets. Significant management judgment is required in assessing our ability to realize any future benefit from our net deferred tax assets. We intend to maintain this valuation allowance until sufficient positive evidence exists to support its reversal. Our income tax expense recorded in the future will be reduced to the extent that sufficient positive evidence materializes to support a reversal of, or decrease in, our valuation allowance.

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act (OBBBA), which includes various tax law changes effective beginning in 2025; while the Act had no material impact on the Company's third-quarter 2025 results, the Company is evaluating its future effects.

LIQUIDITY AND CAPITAL RESOURCES

We consider liquidity in terms of the sufficiency of internal and external cash resources to fund our operating, investing and financing activities. Our principal sources of liquidity include cash from operating activities, and cash and cash equivalents on our balance sheet. We require significant cash resources to meet obligations to pay principal and interest on our outstanding debt, provide for our research and development activities, fund our working capital needs, and make capital expenditures. Our future liquidity requirements will depend on multiple factors, including our ability to raise additional capital, research and development plans and capital asset needs.

We had cash and cash equivalents of \$14.7 million as of September 30, 2025, which consisted primarily of bank deposits and money market accounts. As of September 30, 2025, our total outstanding Term Loan debt was \$106.1 million.

We generated negative cash flows from operations of approximately \$32.5 million and \$17.2 million for the six months ended September 30, 2025 and 2024, respectively, and generated net losses of approximately \$63.7 million and \$32.0 million for the six months ended September 30, 2025 and 2024, respectively. We have funded operations through the sale of Common Stock, Term Loan borrowings and PNC Credit Facility borrowings described in Note 4: *Debt*.

On January 25, 2025, the Company entered into the SEPA, in which pursuant to and subject to its terms, the Company has the right, but not the obligation, to sell up to \$200 million of Common Stock at any time during the three-year period following the date of the SEPA. As of September 30, 2025, the Company has issued approximately 7.5 million shares of Common Stock under the SEPA for net proceeds of approximately \$82.8 million, of which 6.3 million shares of Common Stock for net proceeds of approximately \$66.9 million were issued in the six months ended September 30, 2025. No shares were issued in the three months ended September 30, 2025.

Our Term Loan has a maturity date of August 5, 2026. As discussed in Note 1: *Description of Business and Summary of Significant Accounting Policies—Going Concern*, we believe we will not be able to make the required repayment on that date using cash generated from operating activities. We entered into the Transaction Agreement that will convert Dialectic's portion of the Term Loan into a Convertible Note with a three year maturity. We also agreed to use the proceeds from the SEPA to repay the OC III Lenders portion of the Term Loan. The issuance of the Convertible Note is subject to stockholder approval and there is no assurance that it will be approved. Also, we may not be able to access the SEPA to generate sufficient cash to repay OC III Lenders by the maturity date. We may be unable to obtain additional funding from other sources.

Cash Flows

The following table summarizes our condensed consolidated cash flows for the periods indicated.

(in thousands)	Six Months Ended September 30,	
	2025	2024
Cash provided by (used in):		
Operating activities	\$ (32,489)	\$ (17,194)
Investing activities	(1,606)	(3,228)
Financing activities	32,791	11,525
Effect of exchange rate changes	30	(3)
Net decrease in cash, cash equivalents and restricted cash	\$ (1,274)	\$ (8,900)

Cash Used In Operating Activities

Net cash used in operating activities was \$32.5 million for the six months ended September 30, 2025. This use of cash was primarily attributed to lower earnings.

Net cash used in operating activities was \$17.2 million for the six months ended September 30, 2024. This use of cash was primarily attributed to lower earnings.

Cash Used in Investing Activities

Net cash used in investing activities was \$1.6 million in the six months ended September 30, 2025, which was attributable to capital expenditures.

Net cash used in investing activities was \$3.2 million in the six months ended September 30, 2024, which was attributable to capital expenditures.

Cash Provided by Financing Activities

Net cash provided by financing activities was \$32.8 million for the six months ended September 30, 2025, which was related primarily to borrowings on our Term Loan.

Net cash provided by financing activities was \$11.5 million for the six months ended September 30, 2024, which was related primarily to proceeds from shares issued under the SEPA.

Commitments and Contingencies

Our contingent liabilities consist primarily of certain financial guarantees, both express and implied, related to product liability and potential infringement of intellectual property. We have little history of costs associated with such indemnification requirements and contingent liabilities associated with product liability may be mitigated by our insurance coverage. In the normal course of business to facilitate transactions of our services and products, we indemnify certain parties with respect to certain matters, such as intellectual property infringement or other claims. We also have indemnification agreements with our current and former officers and directors. It is not possible to determine the maximum potential amount under these indemnification agreements due to the limited history of our indemnification claims, and the unique facts and circumstances involved in each particular agreement. Historically, payments made by us under these agreements have not had a material impact on our operating results, financial position or cash flows.

We are also subject to ordinary course litigation. See Note 10: Commitments and Contingencies to the unaudited condensed consolidated financial statements for a discussion of our legal matters.

Off Balance Sheet Arrangements

Except for the indemnification commitments described under "Commitments and Contingencies" above, we do not currently have any other off-balance sheet arrangements and do not have any holdings in variable interest entities.

Contractual Obligations

We have contractual obligations and commercial commitments, some of which, such as purchase obligations, are not recognized as liabilities in our condensed consolidated financial statements. There have not been any material changes to the contractual obligations disclosed in the Annual Report.

Critical Accounting Estimates and Policies

The preparation of our consolidated financial statements in accordance with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes included elsewhere in this Quarterly Report. On an ongoing basis, we evaluate estimates, which are based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. We consider certain accounting policies to be critical to understanding our financial statements because the application of these policies requires significant judgment on the part of management, which could have a material impact on our financial statements if actual performance should differ from historical experience or if our assumptions were to change. Our accounting policies that include estimates that require management's subjective or complex judgments about the effects of matters that are inherently uncertain are summarized in the Annual Report under the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates and Policies." For additional information on our significant accounting policies, see Note 1 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report.

Recently Issued and Adopted Accounting Pronouncements

See Note 1 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our quantitative and qualitative disclosures about market risk from those described under "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Annual Report, which such section is incorporated herein by reference.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive and principal financial officers, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")), as of the end of the period covered by this Quarterly Report. Based on such evaluation, our principal executive and principal financial officers have concluded that as of such date, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses described below.

Notwithstanding the identified material weaknesses, management, including our chief executive officer and principal financial officer have determined, that the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q fairly represent in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, for the periods presented in accordance with U.S. generally accepted accounting principles.

Material Weaknesses in Internal Control Over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management did not adequately design and implement effective control activities resulting in the identification of the following material weaknesses:

Revenue Recognition

The Company did not maintain effective internal controls related to revenue recognition for the following:

- Controls related to the Company's accounting practices and procedures for application of standalone selling price under Accounting Standards Codification Topic 606 *Revenue from Contracts with Customers* ("Topic 606"). Specifically, the Company did not have adequate controls in place to conclude on the application of standalone selling price consistent with the generally accepted application of the guidance in Topic 606.
- Controls over the accuracy of the inputs in the sales order entry process. Specifically, the Company did not sufficiently execute controls over the review of data inputs in the sales order entry process to ensure accuracy of the price, quantity, and related customer data.
- Controls for reviewing and updating deferral schedules, which drives the timing of service revenue recognition. Specifically, the start and end dates in the deferral schedules were not consistently aligned with the contractual service periods.

Manufacturing Inventory

The Company did not maintain effective internal controls related to manufacturing inventory. Specifically, controls to assess the accuracy of inventory held at third-party locations were not adequately executed.

Control Environment

Based on the material weaknesses identified in revenue recognition and manufacturing inventory, management concluded that the Company did not maintain effective entity-level controls within the control environment to prevent or detect material misstatements to the consolidated financial statements. Specifically, the Company (i) lacked sufficiently qualified staff or resources to perform control activities and (ii) conducted inadequate risk assessment and monitoring activities resulting in untimely or ineffective identification of internal control risks to support the design implementation and evaluation of the internal controls necessary to provide effective oversight over financial reporting.

Remediation Plan

The Company has implemented and is continuing to implement enhancements to address the identified material weaknesses. Actions include:

- Reviewing and updating relevant policies, procedures, and controls; this may include automation of certain controls within the ERP system where appropriate.
- Providing additional training to personnel responsible for executing and reviewing key controls.
- Enhancing efforts to assess risk and monitor the effectiveness of control design and operation over time.
- Engaging third-party specialists to assist the Company in assessing and establishing standalone selling price. While this has been completed, efforts are ongoing to increase automation in the calculation of standalone selling price.
- Engaging third-party specialists to help design and implement a control that reviews draft invoices above specified thresholds against customer purchase orders to assess the accuracy of the inputs in the sales order entry process prior to invoicing.

The Company is committed to maintaining a strong internal control environment and believes the remediation efforts will represent significant improvements in its controls over the control environment. These steps will take time to be fully implemented and confirmed to be effective and sustainable. Additional controls may also be required over time. While the Company believes that these efforts will improve its internal control over financial reporting, the Company will not be able to conclude whether the steps the Company is taking will remediate the material weaknesses in internal control over financial reporting until a sufficient period has passed to allow management to test the design and operational effectiveness of the new and enhanced controls. Until the remediation steps set forth above are fully implemented and tested, the material weaknesses will continue to exist.

Changes in Internal Control

During the quarter ended September 30, 2025, Lewis Moorehead resigned as CFO effective August 18, 2025 and Laura Nash was appointed principal financial officer in his place. Except for the ongoing remediation measures to address the material weaknesses, in connection with the evaluation required by Rule 13a-15(d) under the Exchange Act, there were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See [Note 10: Commitments and Contingencies](#) to the unaudited condensed consolidated financial statements for a discussion of our legal matters.

ITEM 1A. RISK FACTORS

There have been no material changes to the previously disclosed risk factors discussed in “Part I, Item 1A, Risk Factors” in the Annual Report. You should consider carefully these factors, together with all of the other information in this Quarterly Report, including our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report, before making an investment decision.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangement

During the period covered by this Quarterly Report, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

The exhibits required to be filed or furnished as part of this Quarterly Report are listed below. Notwithstanding any language to the contrary, exhibits 32.1 and 32.2 shall not be deemed to be filed as part of this Quarterly Report for purposes of Section 18 of the Exchange Act or deemed to be incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933, except to the extent that the Company specifically incorporates it by reference.

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	Filing Date	Exhibit	
3.1	Amended and Restated Certificate of Incorporation of the Company, as amended through August 26, 2024	S-1	1/27/25	3.1	
3.2	Amended and Restated Bylaws, as amended through June 12, 2025	8-K	6/18/25	3.1	
4.1	Warrant to Purchase Common Stock dated September 23, 2025 issued to Dialectic Technology SPV LLC	8-K	9/23/25	4.1	
4.2	Registration Rights Agreement dated September 23, 2025 by and between the Company and Dialectic Technology SPV LLC	8-K	9/23/25	4.2	
10.1#	Offer Letter dated August 27, 2025 by and between the Company and James C. Clancy	8-K	8/28/25	10.1	
10.2#	Offer Letter dated August 27, 2025 by and between the Company and Tony J. Blevins	8-K	8/28/25	10.2	
10.3*	Transaction Agreement dated September 23, 2025 by and among the Company, Dialectic Technology SPV LLC, OC III LVS XXXIII LP., and OC III LVS XL LP	8-K	9/23/25	10.1	
10.4*	Fifteenth Amendment to Term Loan Credit and Security Agreement dated September 23, 2025 by and among the Company, Quantum LTO Holdings, LLC, the borrowers and guarantors party thereto, the lenders party thereto, and Alter Domus (US) LLC, as disbursing agent and collateral agent	8-K	9/23/25	10.2	
10.5#	Settlement Agreement dated July 16, 2025 by and between Quantum Storage UK Ltd and H.J.W. Spanjaard				X
10.6#	Separation Agreement and General Release of Claims dated August 20, 2025, by and between the Company and Lewis W. Moorehead				X
31.1	Certification of the Principal Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of the Principal Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002				X
32.1^	Certification of Principal Executive Officer pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002				X
32.2^	Certification of Principal Financial Officer pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002				X
101.SCH	XBRL Taxonomy Extension Schema Document				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				X
104	Cover page interactive data file, submitted using inline XBRL (contained in Exhibit 101)				X

* Schedules and attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish supplemental copies of any of the omitted schedules and attachments upon request by the Securities and Exchange Commission.

Indicates management contract or compensatory plan or arrangement.

^ This exhibit is not deemed "filed" with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after date hereof and irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

<u>November 13, 2025</u> (Date)	Quantum Corporation (Registrant) <u>/s/ Hugues Meyrath</u> Hugues Meyrath President and Chief Executive Officer (Principal Executive Officer)
<u>November 13, 2025</u> (Date)	<u>/s/ Laura A. Nash</u> Laura A. Nash Chief Accounting Officer (Principal Financial Officer and Principal Accounting Officer)

SETTLEMENT AGREEMENT

The undersigned:

I. **Quantum Storage UK Ltd**, having its registered office in Bracknell, England, and maintaining a place of business at Venture House, 2 Arlington Square, Downshire Way, Bracknell, Berkshire, United Kingdom, RG12 1WA, for these purposes legally represented by Lewis W. Moorehead, to be referred to below as "**Quantum**" or the "**Employer**",

and

II. Mr. H.J.W. Spanjaard, residing at to be referred to below as the '**Employee**';

to be referred to below jointly as the '**Parties**';

Whereas:

- the Employee, who was born on April 23, 1966, employed by the Employer (or the Employer's legal predecessor) on July 20, 2020 and currently holds the position of Chief Revenue Officer;
- the Employee's current gross yearly salary is EUR 310,000, exclusive of an 8% holiday allowance on the basis of a 40-hour working week;
- the Employer has been forced to restructure its organization, as a result of which the Employee's position will be eliminated as from July 1 2025;
- Parties have consulted with each other about the elimination of the position and have examined the possibilities of an alternative, suitable position. In this context the Parties have come to the conclusion that there is no alternative, suitable position available and it is not to be expected that one will become available in the foreseeable future;
- as a result of the elimination of the position and the lack of an alternative, suitable position, the Employer is seeking to terminate the employment contract;
- the Parties have consulted with each other and have reached agreement with respect to the manner in which and the conditions pursuant to which they wish to terminate the employment contract;
- the Employer wishes to emphasise that it cannot be argued that the Employee can be blamed in any way for the situation that has arisen; thus, there is no urgent reason for the Employer to

terminate the employment contract in question within the meaning of Article 7:677/7:678 of the Dutch Civil Code (*Burgerlijk Wetboek*);

- the Parties wish to lay down their agreements by means of this settlement agreement within the meaning of Article 7:900 of the Dutch Civil Code (hereinafter "Settlement Agreement");
- the Employee has had sufficient time to consider the provisions laid down in this Settlement Agreement and has obtained advice with respect to the content and the consequences of it.

Hereby agree as follows:

Termination date

1. The employment contract that is currently in effect will be terminated by mutual consent, at the Employer's initiative, effective from July 1 2025 (to be referred to below as the "End Date"). Therefore, July 1 2025 will be the last working day. However, the Employee will remain available to provide information and to answer questions.

Severance payment

2. After the employment contract has been terminated by mutual consent as at the End Date the Employer will pay a lump sum, as compensation for loss of income in the future, in the amount of EUR 500,000 gross (to be referred to below as the 'Severance Payment'). The Severance Payment shall be deemed to include the statutory transitional fee (*transitievergoeding*), as well as a payment in lieu of the applicable notice period and a reasonable compensation (*billijke vergoeding*) pursuant to section 7:673 of the Dutch Civil Code. The Employer will transfer the remaining net amount of the Severance Payment within 30 days after the End Date to the Employee's account number that is known to the Employer.

Holidays

3. In addition, the 35 outstanding accrued holidays will be paid out to the Employee at the final account.
4. The Employee will not accrue any more days' holiday for the period in which the Employee is exempted from the duty to perform work, or in any event the Employee will be deemed to have taken those days' holiday prior to the End Date. The Employer will not be obliged to pay the Employee any compensation in that respect.

Retention Bonus

5. The July instalment of the retention bonus (USD 50,000 plus taxes) will be paid out to the Employee at the final account.

Expenses

6. The Employee shall specify and verify any outstanding expenses in accordance with the Company's applicable rules and routines for expenses. Expenses shall be paid to the Employee within 30 days of the End Date.

Final account

7. Within four weeks after the End Date the Employer will draw up a customary final account, taking into account the provisions in this Settlement Agreement.

Pension

8. The Company will comply with any and all obligations with respect to the Employee on the basis of pension commitments that have been made to the Employee and the provisions stipulated in rules and regulations related to pension law. In this context the Employee should take note of the possibility to transfer accrued pension benefits.

Visa costs

9. The Company shall contribute an amount of maximum EUR 10,000 gross towards the costs to support the Employee with his visa process. Payment of this amount shall be made directly to the legal representative facilitating the visa process.

Company property

10. On or before the End Date the Employee must return to the Employer, undamaged and in good condition, any and all company property that was made available to the Employee in the context of the position of the Employee, including (but not limited to) any keys, passes, debit cards, documents, and other information carriers (including copies and/or backups). Employee shall be entitled to maintain the Company laptop in his possession for his personal use, on the condition that all Company data is removed in accordance with Company data security policies and procedures.

Post-contractual obligations

11. With the exception of the non-competition clause on which the Parties have agreed, any and all other provisions that have a post-contractual effect, such as the business relations clause, the confidentiality clause and the penalty clause, and the change of control agreement that applies in respect of each of those provisions, will remain fully in effect.

Letter of reference

12. Upon request the Employer will provide the Employee with a positive letter of reference within 30 days after this Settlement Agreement has been signed. In addition, positive references will be provided in the event that the Employer is requested to do so.

Communications

13. The Parties will not make any statements about each other that could harm either of their justified interests. The Parties will consult with each other and agree on what statements they will make, both within and outside the Employer's organisation, with respect to the termination of their employment contract.

Reimbursement of costs of legal assistance

14. The Company will pay the Employee's costs related to obtaining legal assistance up to a maximum amount of EUR 500.- (inclusive of office costs and exclusive of VAT) and will pay those costs directly to the Employee's legal representative, upon receipt of an invoice drawn up in the Employee's name to that effect.
15. The invoice of legal costs must be submitted to the Employer within 30 days after the End Date. The Company will pay the legal fees as mentioned above within 30 days after the invoice is received.

Confidentiality

16. The Parties will maintain confidentiality towards third parties with respect to the content of this Settlement Agreement unless they have an obligation to disclose in accordance with any statutory obligation.

Penalty

17. If the Employee fails to fulfil the obligations set out in this settlement agreement, the Employee shall - where necessary in derogation from the provisions of Section 7:650(3), (4) and (5) of the Dutch Civil Code and without any notice of default being required - forfeit to the Employer a penalty for an amount of EUR 5,000.- and also a penalty of EUR 500.- for each day that the Employee fails to fulfil the obligations applicable to the Employee despite being required to do so, all of the aforementioned without prejudice to the right that the Employer has to demand full compensation – instead of the penalties.

18. Prohibition on Negative Remarks

The Employee will not make, publish or otherwise communicate any negative or derogatory statements or remarks, whether in writing or otherwise, directly or indirectly, regarding the Employer, any company that is affiliated with the Employer or their officers, directors, shareholders or employees.

The Employer will not make, publish or otherwise communicate any negative or derogatory statements or remarks, whether in writing or otherwise, directly or indirectly, regarding the Employee.

Cases in which remunerations no longer will be due

19. In the event that the employment contract is terminated prior to the End Date on the ground of conduct on the part of the Employee that gives rise to an urgent reason within the meaning of Article 7:677 jo. 7:678 of the Dutch Civil Code (summary dismissal) all the remunerations referred to in this Settlement Agreement that the Employer must pay to the Employee no longer will be due, in any event including – but not limited to – the Severance Payment and the Employee no longer will be entitled to claim those remunerations.

Miscellaneous provisions

20. Any amendments to this Settlement Agreement will be valid only insofar as the Parties have agreed on them in writing.
21. In event that it turns out that one or more of the provisions stipulated in this Settlement Agreement is not legally valid, the other provisions stipulated in the Settlement Agreement will remain in force. In that case the Parties will consult with respect to the provisions that are not legally valid in order to agree on a replacement provision in writing that is legally valid and that is in keeping to every extent possible with the purport of the provision to be replaced.
22. At the time at which the Employee signs this Settlement Agreement, the Employee declares by signing this Settlement Agreement that the Employee has not already accepted a job or paid position elsewhere (which is also deemed to include self-employment) and that the Employee does not have any concrete prospective of having a job or paid position (which is also deemed to include self-employment) elsewhere. The Company will not owe the Transitional Payment, and/or Signing Bonus (if applicable) in the event that that declaration turns out to be untrue. In that context the other provisions stipulated in this Settlement Agreement will continue to apply in full.
23. Taking into account the provision on the reflection period, the Employee waives the right to wholly or partly annul, dissolve or terminate the Settlement Agreement.

Reflection Period

24. The Employee will be entitled to dissolve this Settlement Agreement, without stating the reasons for doing so, within 14 days after the date on which the Settlement Agreement is concluded, by submitting a written statement to that effect, addressed to the Employer.

Full and final discharge

25. By means of this Settlement Agreement the Parties have reached an exhaustive, comprehensive settlement. After the foregoing obligations have been complied with the Parties (including group companies of the Employer and its affiliated companies) no longer will have any further obligations towards each other on the ground of the employment contract that is in effect between them, the termination of the employment contract (and the manner in which it has been terminated), any collective labour agreement, commission, bonus and/or profit sharing scheme,

option plan, pension scheme, redundancy pay scheme and supplementary scheme or on any other ground whatsoever, and the Parties will grant each other full and final discharge.

Applicable law

26. This Agreement is governed by Dutch law.

Competent court

27. In the event that any dispute arises in respect of this Settlement Agreement, the District Court of Amsterdam will have exclusive jurisdiction to take cognisance of the claims.

Agreed and executed in duplicate on July 16, 2025.

/s/ Lewis W. Moorehead _____ /s/ Henk Jan Spanjaard _____

Quantum The Employee

Lewis W. Moorehead Henk Jan Spanjaard

Separation Agreement and General Release of Claims

This Separation Agreement and General Release of Claims (the “*Agreement*”) is made by and between Lewis W. Moorehead, an individual (“*Employee*”) and Quantum Corporation (the “*Company*”) (hereinafter collectively referred to as the “*Parties*” and each a “*Party*”), effective on the eighth calendar day after the date this Agreement is signed by Employee, provided the revocation period set forth in Section 15 below has expired without revocation (the “*Effective Date*”).

Recitals

WHEREAS, the Parties entered into an (i) an offer letter agreement dated April 7, 2025 (the “*Employment Agreement*”); (ii) an Executive Change of Control Agreement dated March 31, 2023 (the “*Change of Control Agreement*”); and (iii) a retention bonus letter agreement dated October 24, 2024 (the “*Retention Agreement*”);

WHEREAS, the employment relationship between Employee and the Company terminated effective August 18, 2025 (“*Separation Date*”);

WHEREAS, the Parties acknowledge that as of the Separation Date the Company has not undergone a Change of Control (as defined in the Change of Control Agreement); and

WHEREAS, this Agreement sets forth the mutual understanding of the Parties as it relates to Employee’s termination of employment and the separation benefits he is entitled to receive in exchange for the promises set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, commitments and agreements contained herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties intending to be legally bound hereby agree as follows:

Agreement

1. **Final Wages.** After the Separation Date, Employee will not represent that Employee is an employee, officer, attorney, agent, or representative of the Company for any purpose. Except as otherwise set forth in this Agreement, the Separation Date is the employment termination date for Employee for all purposes, meaning Employee is not entitled to any further compensation, monies, or other benefits from the Company, including coverage under any benefit plans or programs sponsored by the Company, as of the Separation Date, except as otherwise provided in this Agreement. Employee acknowledges that the Company has paid all accrued but unpaid wages due to Employee, with the exception of Employee’s final paycheck for salary and accrued but unused paid time off, which will be paid within five (5) business days following the Separation Date and will include a full days’ accrued salary and unused paid time off through such payment date.
-

2. **Separation Benefits.** As consideration for Employee's execution of, non-revocation of, and compliance with this Agreement, including the Employee's waiver and release of claims in Section 4 and other post-termination obligations, the Company agrees to provide the following benefits to which Employee is not otherwise entitled (the "***Separation Benefits***"):
- a. **Separation Pay.** The Company agrees to pay Employee separation pay in the gross amount of \$102,500.00, less applicable taxes and other withholdings, which equals three (3) months of Employee's current base salary (the "***Salary Separation***"), to be paid in a lump sum within five (5) business days following the Effective Date of this Agreement.
 - b. **COBRA Payment.** Upon Employee's timely election to continue his existing health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), and consistent with the terms of COBRA and the Company's health insurance plan, the Company will reimburse Employee for his monthly COBRA premiums for both him and his co-dependents through the earlier of (A) the 3-month anniversary following the Separation Date, and (B) the date Employee and his eligible dependents, if any, are no longer eligible to receive COBRA continuation coverage (the "***COBRA Benefits***"). Notwithstanding the foregoing if the Company determines in its sole discretion that it cannot provide the COBRA benefits without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of the COBRA benefits, the Company will provide to Employee during the 3 months following the Separation Date a taxable monthly payment in an amount equal to the monthly COBRA premium that Employee would be required to pay to continue coverage under the COBRA Benefits. Such payments would be made regardless of whether Employee elects COBRA continuation coverage, solely if the Company is unable to provide the COBRA Benefits.
3. **No Entitlement to Other Compensation or Benefits.** Employee understands and agrees that the Separation Benefits in Section 2 exceed what Employee would otherwise be entitled to but for his promises in this Agreement.
4. **General Release and Waiver of Claims.**

Employee acknowledges and agrees that the payments and promises set forth in this Agreement are in full satisfaction of all accrued salary, vacation pay, bonus, profit-sharing, stock, stock options or other ownership interest in the Company, termination benefits or other compensation to which Employee may be entitled by virtue of employment with the Company or Employee's separation from the Company. To the fullest extent permitted by law, Employee hereby releases and waives any claims he may have against the Company and its owners, agents, officers, shareholders, employees, directors, attorneys, subscribers, subsidiaries, affiliates, successors and assigns (collectively "***Releasees***"), whether known or not known, including, without limitation, claims under any employment laws, including, but not limited to, claims of unlawful discharge, breach of contract, breach of the covenant of good faith and fair dealing, fraud, misrepresentation, violation of public policy, defamation, physical injury, emotional

distress, retaliation, claims for additional compensation or benefits arising out of employment or separation of employment, claims under Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§2000, et seq., the Equal Pay Act, the Americans with Disabilities Act (42 U.S.C. §§12101, et seq.), the Age Discrimination in Employment Act of 1967, as amended, the Older Workers Benefit Protection Act, the Employee Retirement Income Security Act (ERISA), 29 U.S.C. §§1001, et seq., the Civil Rights Act of 1991, 42 U.S.C. §§1981-1988, the Occupational Safety and Health Act, the Family and Medical Leave Act (29 USC §2601, et seq.) the Fair Credit Reporting Act, the Genetic Information Nondiscrimination Act, the Immigration Reform and Control Act, the California Fair Employment and Housing Act (FEHA), Government Code §12940, et seq., the California Labor Code, the California Family Rights Act (CFRA), the California Private Attorneys General Act (PAGA), the California Business and Professions Act, and any other state laws and/or regulations relating to employment or employment discrimination (the “**Release**”).

To the maximum extent permitted by law, the Release extends to all claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected. Employee expressly waives the provisions of Section 1542 of the California Civil Code, and any similar statutory or common law provisions, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Notwithstanding the foregoing, there are certain claims which, under state or federal statutes or regulations, may not be released, or may not be released except with the participation and approval of a state or federal agency. For example, this Agreement shall not be deemed to release (i) any claims for unemployment or workers’ compensation benefits, (ii) any vested rights under the Company’s ERISA-covered employee benefit plans as applicable on the date Employee signs this Agreement, or (iii) any claims that, by law, cannot be released in an agreement between an employer and an employee. In addition, this Agreement does not limit Employee’s rights to indemnification, coverage, exculpation or reimbursement of officers and directors of the Company contained in any organizational documents or indemnification agreement or with respect to any applicable directors’ and officers’ liability insurance to the extent applicable.

The Release does not waive any action to enforce either of the Parties’ obligations under this Agreement or the Change of Control Agreement (solely if a Change of Control is consummated on or prior to September 2, 2025), and/or any claims that might arise after the date the Employee signs this Agreement.

5. **Return of Company Property.** Employee covenants and agrees that, as of the date that is five (5) business days from the Separation Date, he will return to the Company all
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property belonging to the Company, including, but not limited to, keys and passes, credit cards, computer hardware, and shall exclude Employee's personal copies of his payroll and benefits records.

6. **Non-Disclosure of Confidential Information.** Employee promises and agrees that he will not, except upon written authorization from the Company or as required by law, disclose any confidential or proprietary information belonging to or concerning the Company, and/or Releasees, vendors, or customers, including, without limitation, financial data, business and marketing plans, budgets, personnel information, product designs and specifications, research and development plans and budgets, technical drawings and specifications, manufacturing methods, technical know-how or other trade secrets. Employee acknowledges and reaffirms in its entirety any Proprietary Information and Invention Agreement ("***Confidentiality Agreement***") executed previously in conjunction with his employment, a copy of the form of the Company's current version of which is enclosed with this Agreement as **Appendix A**. Notwithstanding anything contained in this Agreement or the Confidentiality Agreement, Employee may disclose confidential information in confidence directly or indirectly to federal, state, or local government officials, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or regulation or making other disclosures that are protected under the whistleblower provisions of state or federal laws or regulations. Nothing in this Agreement or the Confidentiality Agreement is intended to conflict with Federal law protecting confidential disclosures of a trade secret to the Government or in a court filing, 18 U.S.C. § 1833(b), or to create liability for disclosures of confidential information that are expressly allowed by 18 U.S.C. § 1833(b) or to restrain Employee's exercise of protected rights, including without limitation Employee's statutory rights under Section 7 of the National Labor Relations Act, federal securities laws such as the Dodd-Frank Act, the federal Speak Out Act, or similar state or local laws, to the extent applicable.
 7. **Non-Solicitation.** Employee acknowledges and agrees that, for a period of 12 months, he will not use the Company's proprietary and/or confidential information or trade secrets (i) to solicit or interfere with the Company's relationships with any of the Company's clients, customers, vendors or suppliers for the benefit of himself or any third party following the Separation Date, or (ii) to directly or indirectly solicit, recruit or induce any Company employee to leave their employment or any contractor or terminate their services for the Company following the Separation Date.
 8. **Confidentiality.** Employee agrees the contents, terms, and conditions of this Agreement will be kept confidential and may not be disclosed except to Employee's immediate family, accountant or attorneys or pursuant to subpoena or court order, unless otherwise required or permitted by law, such as (a) responding to any inquiry from a government authority, (b) complying with the law or making any disclosure to satisfy reporting and/or disclosure laws including, but not limited to, periodic reports to the Securities Exchange Commission, (c) engaging in any protected rights under the NLRA or the federal securities laws, including the Dodd-Frank Act, (d) discussing or disclosing information about unlawful acts in the workplace, such as discrimination or harassment or any other
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conduct Employee believes is unlawful, and (e) as may be necessary to enforce its terms or as otherwise authorized or required by law, unless and until the Company publicly discloses this Agreement or the terms thereof pursuant to its disclosure obligations under the Securities Exchange Act of 1934 or as otherwise required by applicable law or regulation. With respect to each limited exception set forth above, Employee will inform the person or persons to whom Employee discloses information regarding this Agreement of the confidential nature of this Agreement. Any breach of this confidentiality provision shall be deemed a material breach of this Agreement.

9. **Non-Disparagement**. (a) Except as may otherwise be permitted under this Agreement, including Section 6 hereof, Employee agrees that he will not, directly or indirectly, disparage or make negative remarks regarding Releasees or their business, products, services, intellectual property, financial standing, employment practices, agents, representatives, directors, officers, shareholders, attorneys, employees, vendors, affiliates, successors or assigns, or any person acting by, through, under or in concert with any of them, with any written or oral statement, including, but not limited to, any statement posted on social media (including online company review sites) or otherwise on the Internet, whether or not made anonymously or with attribution.
- (b) The Company agrees it will direct its directors and executive officers to not, directly or indirectly, disparage or make negative public remarks about Employee, whether in any written or oral statement, including, but not limited to, any statement posted on social media (including online company review sites) or otherwise on the Internet. Notwithstanding the foregoing, nothing in this Agreement shall limit the Company's ability to (a) disclose Employee's name, position, and dates of employment in response to reference requests from potential future employers or (b) comply with any disclosure or reporting obligations, including, but not limited to providing truthful information in response to inquiries by governmental agencies, in public filings as required by law, or in any legal or administrative proceedings.
10. **No Assistance**. Employee agrees not to counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company and/or Releasees, unless under a subpoena or other court order to do so.
11. **Covenant Not to Sue**. Employee promises and states that he has not given or sold any claim discussed in this Agreement to anyone, and that he has not filed a lawsuit, claim, or charge with any court or government agency asserting any claims that are released by the Release. To the fullest extent permitted by law, at no time subsequent to the execution of this Agreement will Employee pursue, or cause or knowingly permit the prosecution, in any state, federal or foreign court, or before any local, state, federal or foreign administrative agency, or any other tribunal, of any charge, claim or action of any kind, nature and character whatsoever, known or unknown, which he may now have, have ever had, or may in the future have against Releasees, which is based in whole or in part on any matter released by this Agreement. Nothing in this Section shall prohibit or impair Employee or the Company from complying with all applicable laws, nor shall this
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Agreement be construed to obligate either party to commit (or aid or abet in the commission of) any unlawful act.

12. **Protected Rights.** Employee understands that nothing in this Agreement prevents any party from responding to or otherwise cooperating with any and all government authorities, including responding to any inquiry by any government authority, complying with the law or making any disclosure to satisfy reporting and/or disclosure laws, including, but not limited to, periodic reports to the Securities Exchange Commission. Employee understands that nothing in the General Release and Waiver of Claims and Covenant Not to Sue sections above, or otherwise in this Agreement, limits Employee's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local government agency or commission ("**Government Agencies**"). Employee further understands that this Agreement does not limit his ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. Nothing in this Agreement shall prohibit Employee from providing truthful information in response to a government inquiry, subpoena or other legal process. Nothing in this Agreement prevents Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful. Further, this section does not apply to nor does it in any way restrict or impede Employee from exercising protected rights, including rights under the National Labor Relations Act ("**NLRA**") or the federal securities laws, including the Dodd-Frank Act. This Agreement does not limit Employee's right to receive an award for information provided to any Government Agencies). Employee may also disclose confidential information in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal.
 13. **Cooperation.** Employee agrees to cooperate fully with the Company in connection with any and all existing or future arbitration proceedings, actual or threatened litigation, charges, grievances, actions, appeals or investigations brought by or against the Company or any of the Company Releasees, whether administrative, civil or criminal in nature, in which and to the extent the Company deems Employee's cooperation necessary. Employee agrees to cooperate fully with the Company in connection with its actual or contemplated defense, prosecution, or investigation of any claims or demands by or against third parties, or other matters arising from events, acts, or failures to act that occurred during the period of his employment by the Company. Such cooperation includes, without limitation, making himself available to the Company upon reasonable notice, without subpoena, to provide complete, truthful and accurate information in witness interviews, depositions, and trial testimony. Upon presentation of reasonable documentation from Employee, the Company agrees to reimburse Employee for his reasonable out-of-pocket expenses and his time at a daily rate (in no less than half day increments) based on Employee's base salary for the Company as of the Separation Date. The Company will make reasonable efforts to accommodate Employee's scheduling needs.
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14. **No Admission of Liability.** This Agreement is not and shall not be construed or contended by Employee to be an admission or evidence of any wrongdoing or liability on the part of the Company or Releasees. This Agreement shall be afforded the maximum protection allowable under the Federal Rules of Evidence 408 and/or any other state or federal provisions of similar effect.
15. **ADEA Waiver; Consideration Period; Revocation Period.** Employee understands and has been advised that his general release of age claims is subject to the terms of the Older Workers Benefit Protection Act of 1990 (OWBPA). The OWBPA provides that an individual cannot waive a right or claim under the Age Discrimination in Employment Act of 1967 (ADEA), unless the waiver is knowing and voluntary. Employee has been advised of these laws and has signed this Agreement with full knowledge of its consequences. Employee further understands that he may take up to twenty-one (21) days to consider this Agreement (the "**Consideration Period**"). The offer set forth in this Agreement, if not accepted by Employee before the end of the Consideration Period, will automatically expire. By signing below, Employee affirms that he has been advised to consult with an attorney prior to signing this Agreement. Employee also understands he may revoke this Agreement within seven (7) days of signing this document (the "**Revocation Period**") by providing notice in writing to the Company, attn: Tara Ilges, Vice President, Corporate Affairs and Corporate Secretary, at , and that the Separation Benefits to be provided to Employee pursuant to this Agreement will be provided after expiration of the Revocation Period. Employee agrees that any changes made to this Agreement after they have been presented to him, whether material or immaterial, will not restart the twenty-one (21) day Consideration Period. Employee understands he must sign and return this Agreement within twenty-one (21) days of the date of his receipt of this Agreement to be eligible for the Separation Benefits set forth in Section 1 of this Agreement. If Employee signs this Agreement after the Consideration Period, or revokes this Agreement during the Revocation Period, Employee understands that this Agreement is null and void and he shall not be eligible for the Separation Benefits set forth in Section 1 of this Agreement.
16. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the state of California, without giving effect to its principles of conflicts of laws, provided, however, that the arbitration provisions of this Agreement shall be governed solely by the Federal Arbitration Act, 9 U.S.C. § 1-4.
17. **Severability.** The provisions of this Agreement are severable, and if any part of it is found to be invalid or unenforceable, the other parts shall remain fully valid and enforceable. Specifically, should a court, arbitrator, or government agency conclude that a particular claim may not be released as a matter of law, it is the intention of the parties that the general release, the waiver of unknown claims and the covenant not to sue above shall otherwise remain effective to release any and all other claims.
18. **Arbitration.** Except as prohibited by law, any legal dispute between Employee and the Company (or between Employee and any Releasees, each of whom is hereby designated a third party beneficiary of this Agreement regarding arbitration) arising out of Employee's employment, termination of employment, or this Agreement will be resolved through binding arbitration in San Jose, California, in accordance with the then current
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rules issued by the American Arbitration Association (“AAA”) for the resolution of employment disputes, which rules are available for review at www.adr.org/employment and incorporated herein by reference. Judgment upon the award rendered by the arbitrator in such proceeding may be entered in any court having jurisdiction thereof, provided, however, that the Law applicable to any issues regarding the scope, effectiveness or interpretation of this arbitration provision shall be the Federal Arbitration Act. Nothing in this arbitration provision is intended to limit any right Employee may have to file a charge or claim with (or, to the extent not barred by the Release or Supplemental Release, to obtain relief from) the National Labor Relations Board, or other federal or state agencies. The Parties agree that such arbitration shall be conducted on an individual basis only, not a class, representative or collective basis and hereby waive any right to bring classwide, collective or representative claims before any arbitrator or in any forum. THE PARTIES UNDERSTAND THAT BY AGREEING TO ARBITRATE DISPUTES THEY ARE WAIVING ANY RIGHT THEY MIGHT OTHERWISE HAVE TO A JURY TRIAL. This arbitration provision is not intended to modify or limit substantive rights or the remedies available to the Parties, including the right to seek interim relief, such as injunction or attachment, through judicial process, which shall not be deemed a waiver of the right to demand and obtain arbitration.

19. **Entire Agreement.** This Agreement and its Appendix are intended by the Parties to be their final agreement with respect to the subject matter hereto. The statements, promises and agreements in this Agreement may not be contradicted by any prior understandings, agreements, promises or statements, including but not limited to, any prior agreement under the Employment Agreement or, the Change of Control Agreement or the Retention Agreement. Employee states and promises that in signing this Agreement he has not relied on any statements or promises made by the Company, other than the promises contained in this Agreement. The terms of this Agreement may not be amended, modified or waived, except with the prior approval of the Board, and by an instrument in writing signed by Employee and an authorized officer of the Company or member of the Board.
 20. **Intent to Bind.** In signing this Agreement, Employee intends to bind himself and his heirs, administrators, executors, personal representatives and assigns.
 21. **Section 409A.** This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (“*Section 409A*”), including the exceptions thereto, and shall be construed and administered in accordance with such intent. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service, as a short-term deferral, or as a settlement payment pursuant to a bona fide legal dispute shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, any installment payments provided under this Agreement shall each be treated as a separate payment. To the extent required under Section 409A, any payments to be made under this Agreement in connection with a termination of employment shall only be made if such termination constitutes a “separation from service” under Section 409A.
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Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are subject to or comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

22. **Attorney's Fees.** If either Party files any arbitration, lawsuit, claim, or charge based on, or in any way related to, Employee's employment with the Company, any claim that Employee has released in the Release or the promises and agreements contained in this Agreement, the Party that wins the lawsuit or arbitration or prevails on the claim or charge will be entitled to recover from the other Party all costs it incurs in connection with the dispute, including reasonable attorneys' fees.
23. **Modification; Counterparts; Electronic/PDF Signatures.** It is expressly agreed that this Agreement may not be altered, amended, modified, or otherwise changed in any respect except by another written agreement that specifically refers to this Agreement, executed by authorized representatives of each of the parties to this Agreement. This Agreement may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. The Parties acknowledge and agree that execution of an electronic or PDF copy shall have the same force and effect as execution of an original, and a copy of a signature will be equally admissible in any legal proceeding as if an original.
24. **Warranties.** Employee represents and warrants that (a) Employee has had the opportunity to discuss this Agreement with counsel, and (b) Employee signs this Agreement of Employee's own volition, without outside inducement or coercion, fully intending to be bound by its terms.

The Parties acknowledge that they have read the foregoing Agreement, understand its contents, and accept and agree to the provisions it contains and hereby execute it voluntarily and knowingly and with full understanding of its consequences.

[Signature Page Follows]

In order to bind the parties to this Agreement, the parties, or their duly authorized representatives have signed their names below.

Quantum Corporation

Lewis W. Moorehead

By /s/ Don Jaworski
Don Jaworski
Director

By /s/ Lewis W. Moorehead
Lewis W. Moorehead

Date: Aug 20, 2025

Date: 8/20/2025

CERTIFICATION PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002

I, Hughes Meyrath, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q of Quantum Corporation;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date November 13, 2025

/s/ Hugues Meyrath

Hugues Meyrath

President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002

I, Laura A. Nash, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q of Quantum Corporation;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date November 13, 2025

/s/ Laura A. Nash

Laura A. Nash

Chief Accounting Officer

(Principal Financial Officer and Principal Accounting Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

I, Hugues Meyrath, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Quantum Corporation, on Form 10-Q for the quarterly period ended September 30, 2025, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Quantum Corporation.

Date November 13, 2025

/s/ Hugues Meyrath
Hugues Meyrath
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

I, Laura A. Nash, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Quantum Corporation, on Form 10-Q for the quarterly period ended September 30, 2025, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Quantum Corporation.

Date November 13, 2025

/s/ Laura A. Nash
Laura A. Nash
Chief Accounting Officer
(Principal Financial Officer and Principal Accounting Officer)