











#### FOR IMMEDIATE RELEASE

March 23, 2023

### IDIS Co., Ltd. to Acquire Costar Technologies, Inc.

March 23, 2023 - IDIS Co., Ltd. ("IDIS")(143160:KOSDAQ) and Costar Technologies Inc. ("Costar")(OTC Markets Group: CSTI) today announced the execution of a definitive agreement and plan of merger (the "Merger Agreement") pursuant to which Costar will be acquired by IDIS in a merger transaction.

The Merger Agreement has been unanimously approved by the boards of directors of each of IDIS and Costar. Completion of the Merger will be subject to approval by the stockholders of Costar. The board of directors of Costar has recommended that Costar stockholders approve the transaction and adopt the Merger Agreement at a special meeting of the stockholders of Costar to be called in connection with the merger transaction. Stockholders collectively holding approximately 45% of the outstanding shares of Costar common stock have entered into voting and support agreements pursuant to which they have agreed, among other things, to vote their shares of Costar common stock in favor of the merger transaction. The merger is expected to close during the second quarter of 2023, subject to approval by the Costar shareholders and the satisfaction of customary conditions to closing.

Under the Merger Agreement, IDIS will pay approximately \$23.2 million, subject to customary purchase price adjustments, inclusive of approximately \$13.0 million to retire Costar's bank debt and with the remainder going to the holders of Costar common stock and vested options after payment of transaction expenses. After debt, transaction expenses, and adjustments, it is expected that Costar stockholders will receive approximately \$5.00 to \$5.38 per share, representing an 11% to 20% premium to Costar's average share price over the last twelve months and a 4% to 12% premium to Costar's closing price on March 22, 2023. The acquisition will be funded by existing cash reserves of IDIS.

IDIS CEO, Mr. Kim Young-Dal, said "Leveraging Costar's established distribution networks and sales channels in the U.S. gives a significant boost to IDIS' growth strategy, which is founded on building long-term relationships with systems integrators. With this acquisition, IDIS will diversify and synergize its presence in the government sector and intelligent transportation systems. Driving our business in these, previously hard-to-penetrate areas and expanding into new markets, will provide a foundation for building our business not only in the U.S., but globally."

Scott Switzer, CEO of Costar said, "We are extremely excited to be uniting with IDIS. As Costar's largest supplier, their success in the security industry combined with their engineering expertise have made them a prized partner over the years. Now, with access to their entire range of













advanced technologies and resources, we can deliver enhanced solutions and services to our customers."

IDIS will continue using the Costar name, with Costar becoming a wholly owned subsidiary of IDIS. The present Costar management team and employees are expected to join IDIS following the closing of the acquisition. Scott Switzer will continue in his role as CEO.

The exclusive financial advisor for IDIS is NMC Resource Corporation and for Costar is Imperial Capital. Legal advisors for IDIS are McMillan LLP and for Costar are DLA Piper.

### **About IDIS**

IDIS is a global security company that designs, develops, manufactures, and delivers surveillance solutions for a wide range of commercial and public sector markets. As the largest video surveillance manufacturer in South Korea, headquartered just outside of Seoul and operating across 50 countries and 100+ strategic partners, IDIS is a world-leading total solution provider with more than two million recorders installed worldwide and over 17 million cameras utilizing IDIS technology.

## **About Costar**

Costar Technologies, Inc. develops, designs, manufactures, and distributes a range of security solution products including surveillance cameras, lenses, digital video recorders and high-speed domes. The Company also develops, designs, and distributes industrial vision products to observe repetitive production and assembly lines, thereby increasing efficiency by detecting faults in the production process. Headquartered in Coppell, Texas, the Company's shares currently trade on the OTC Markets Group under the ticker symbol "CSTI". Costar was ranked as the 40th largest company in a&s magazine's Security 50 for 2022. Security 50 is an annual ranking by the magazine of the world's largest security manufacturers in the areas of video surveillance, access control and intruder alarms, based on sales revenue.

### **Cautionary Statement Regarding Forward Looking Statements**

This press release contains forward-looking statements within the meaning of the federal securities laws. Investors are cautioned that statements in this press release which are not strictly historical statements including, without limitation, express or implied statements or guidance regarding the expected benefits of the acquisition, the timing of the closing of the acquisition, the expected price per share to be received in the acquisition, and other statements identified by words like "believe," "expect," "may," "will," "should," "seek," or "could" and similar expressions, constitute forward-looking statements. Such forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated, including, without limitation, risks associated with: the risk that the













proposed acquisition may not be completed in a timely manner, or at all; the occurrence of any event, change or other circumstance that could give rise to the termination of the acquisition; approval of the merger transaction by the Costar stockholders and IDIS's ability to integrate Costar's business and personnel and to achieve expected synergies. Actual results may differ materially from those contemplated by these forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. These forward-looking statements reflect management's current views and are based only on information currently available to us. The parties do not undertake to update, whether written or oral, any of these forward-looking statements to reflect a change in its views or events or circumstances, whether as a result of new information or otherwise, that occur after the date hereof except as required by law.

# <u>Important Information and Where to Find It</u>

In connection with the proposed transaction between IDIS and Costar, Costar will prepare a proxy statement (the "Proxy Statement") that will be sent stockholders of Costar in connection with meeting of stockholders to be held by approve the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT CAREFULLY AND IN ITS ENTIRETY WHEN AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION, PARTIES TO THE PROPOSED TRANSACTION AND RELATED MATTERS. The Company anticipates mailing its proxy statement to stockholders in April 2023. Stockholders may also obtain a copy of the 2023 proxy statement when it is available, as well as other information concerning the Company, at www.costartechnologies.com.

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