



FOR IMMEDIATE RELEASE
July 10, 2018

CONTACT: Scott Switzer
Chief Financial Officer
Costar Technologies, Inc.
(469) 635-6800

**Costar Technologies, Inc. Announces Definitive Agreement
To Purchase the Assets of Arecont Vision, LLC.
Acquisition Expected to Expand Product Offerings and Accelerate Growth**

Coppell, Texas – July 10, 2018 – Costar Technologies, Inc. (the “Company”) (OTC Markets Group: CSTI) announced today that it has signed a definitive agreement to acquire the assets of Arecont Vision, LLC out of Chapter 11 bankruptcy. The purchase price is expected to be approximately \$12 million in cash net of a net working capital adjustment, subject to certain post-closing adjustments as set forth in the definitive agreement. The acquisition, which is structured as an asset purchase, is subject to customary closing conditions and is expected to be completed later this week. Costar is financing the transaction with proceeds from a new credit facility with UMB Bank. The Arecont Vision management team and employees are expected to join Costar following the closing of the acquisition. After integration costs, the acquisition is expected to be neutral to earnings per share in 2018 and mildly accretive in 2019, due to operating synergies and improved efficiencies. Full earnings benefits are expected to be realized in 2020.

Arecont Vision is the leading manufacturer of network cameras and megapixel surveillance cameras, offering a large selection of megapixel IP cameras. Arecont Vision is a US company with headquarters, R&D, manufacturing, and customer support located in Glendale, California. Arecont Vision employs roughly 90 people and generated approximately \$40 million in revenue last year. No camera manufacturer has contributed more to the development of megapixel camera technology for professional security applications than Arecont. Its well-known brands include the MegaDome, MegaViews, MegaBall, SurroundVideo Omni, and many others.

In making the announcement, Costar President and Chief Executive Officer James Pritchett stated, “The acquisition of Arecont Vision expands Costar Technologies’ video surveillance platform by strengthening our product line. It supports Costar’s strategy to become a leader in the video surveillance industry, transitioning from a value-added OEM product company to a manufacturing and design company. Along with our other recent acquisitions, the Arecont acquisition increases our manufacturing and design from approximately 50% to 75% of our revenue.”

COSTAR TECHNOLOGIES, INC.

Raul Calderon, the Chief Operating Officer and General Manager of Arecont Vision, stated, "Costar's family of companies, composed of CohuHD Costar, Costar Video Systems, Innotech, and IVS Imaging, is a great strategic fit for Arecont Vision and provides synergies that can be leveraged to grow our business in new market verticals and product areas. Costar provides resources that will enable Arecont Vision to continue to innovate and lead the market. I am proud of our team, and we are grateful for the support, patience and continued commitment of our employees, suppliers and customers, as we look forward to being a new Costar business."

Mr. Pritchett also stated, "The Costar management team has known Raul for over 20 years and has worked with him in the past. Raul brings strategic vision, an innovative spirit and proven leadership qualities. Together, with his team of sales managers and territory salespeople, he has built an extraordinary organization. We are very proud to welcome them to Costar Technologies."

About Costar Technologies, Inc.

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 2017. 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, including statements regarding the expected closing of the acquisition of assets of Arecont Vision and hiring of its employees, the effect of the acquisition on the Company's earnings per share, synergies of the acquisition, and the ability to grow the business that are subject to substantial risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements, including but not limited to risks related to the ability to diversify business across vertical markets, secure new customer wins, and launch new products. You can often identify forward-looking statements by words such as "believe," "may," "estimate," "continue," "anticipate," "intend," "plan," "expect," "predict," "potential," or the negative of these terms or other comparable terminology. These forward-looking statements are based on management's current expectations, but they involve risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of the risks and uncertainties.

You should not place undue reliance on any forward-looking statements. The Company assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information, except to the extent required by applicable laws.

###