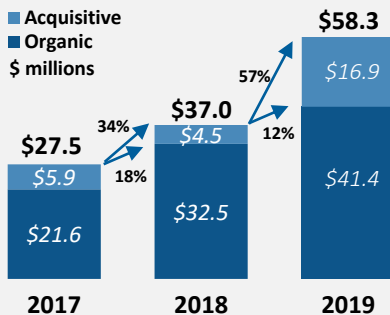


Hardware & Software Solutions for High-Performance Edge Computing

Key Stats (NASDAQ: OSS)



Revenue Growth



Senior Management



David Raun, President & CEO, Director: 25 years' senior management and board experience with public and private companies, including 10+ M&A/fund raising events.



John Morrison, CFO: CPA with 30 years in public accounting, financial reporting and financing. 15 years at PwC (US/Asia).

Company Contact

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Investor Relations
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Company Overview

About One Stop Systems (OSS)

- ▶ **Industry-leading designer & manufacturer** of high-performance edge computing software and systems.
- ▶ **I/O intensive, ruggedized designs** for mobile and edge computing. Performance without compromise.
- ▶ **Technology Leadership:** World's first Gen 4 PCIe-over-cable solutions. High-density flash arrays powered by Ion™ software.
- ▶ **Target Markets:** AI, military, media & entertainment, autonomous vehicles, instrumentation, medical, and data collection.
- ▶ **Marquee Customers:** Raytheon, Lyft, National Instruments, and Disguise.
- ▶ **Strategic Partners:** NVIDIA, Intel, Broadcom.

Growth Market with Strong Drivers

- ▶ Global Edge Computing Market growing at **26.5% CAGR to \$18 billion** by 2027.²
- ▶ Big Data and AI demanding greater/faster flash storage capacity, high-performance computing, expansive I/O and mobility.
- ▶ Edge computing requires ruggedization, reduced size, weight & power (SWaP).
- ▶ **OSS AI on the Fly®** provides high-performance computing at point of data sensor collection.
- ▶ Won 16 major programs valued at \$1M+ each in 2019, and 13 so far in 2020.

Recent News Highlights

- 11/12/20:** Q3-20 revenue up 12% sequentially to \$13.0M; net income of \$858K or \$0.05/share.
- 10/21/20:** Expanded Gen 4 Platform for AI edge computing with the 4U Pro.
- 10/6/20:** Presented AI on the Fly and Data Center in the Sky products at GPU Conference.
- 6/25/20:** David Raun, tech industry veteran, appointed president & CEO.
- 6/22/20:** Introduced world's first PCIe Gen 4 expansion system for NVIDIA A100 PCIe GPUs.
- 6/15/20:** Received \$1+ million in orders for an U.S. Navy AI threat detection system.

Products & Services

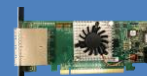


Servers



Flash Storage Arrays

AI on the FLY®



I/O Expansion



GPU Compute Accelerators

Producing actionable intelligence in real-time, onsite, at the point of data acquisition

Autonomous Vehicle must be able to collect, process, learn and act immediately.

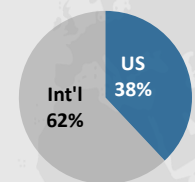
Global Presence

San Diego, CA
Principal offices

Salt Lake City, UT
Software development

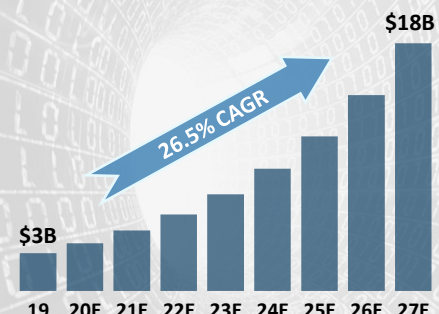
Gröbenzell, Germany
Supports EMEA

Worldwide Revenue
2019



Large Growth Market

Global Edge Computing Market



Source: Fiori Market, June 2020

Use of Non-GAAP Financial Measures and Reconciliation of Adjusted EBITDA to GAAP

Management believes that the use of adjusted earnings before interest, taxes, depreciation and amortization, or adjusted EBITDA, is helpful for an investor to assess the performance of the Company. The Company defines adjusted EBITDA as income (loss) attributable to common stockholders before interest, taxes, depreciation, amortization, acquisition expenses, impairment of long-lived assets, financing costs, fair value adjustments from purchase accounting, stock-based compensation expense and expenses related to discontinued operations.

Adjusted EBITDA is not a measurement of financial performance under generally accepted accounting principles in the United States, or GAAP. Because of varying available valuation methodologies, subjective assumptions and the variety of equity instruments that can impact a company's non-cash operating expenses, management believes that providing a non-GAAP financial measure that excludes non-cash and non-recurring expenses allows for meaningful comparisons between the company's core business operating results and those of other companies, as well as providing management with an important tool for financial and operational decision making and for evaluating core business operating results over different periods of time.

The company's adjusted EBITDA measure may not provide information that is directly comparable to that provided by other companies in the company's industry, as other companies may calculate non-GAAP financial results differently, particularly related to non-recurring, unusual items. The company's adjusted EBITDA is not a measurement of financial performance under GAAP, and should not be considered as an alternative to operating income or as an indication of operating performance or any other measure of performance derived in accordance with GAAP. We do not consider adjusted EBITDA to be a substitute for, or superior to, the information provided by GAAP financial results.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income (loss) attributable to common stockholders	\$ 857,790	\$ 544,901	\$ (250,404)	\$ (1,994,461)
Depreciation and amortization	410,552	352,905	1,208,762	1,239,887
Amortization of deferred gain	-	(12,359)	(53,838)	(45,316)
Impairment of goodwill	-	-	-	1,697,394
Stock-based compensation expense	210,280	164,857	503,419	490,140
Interest income	(143,931)	(10,149)	(267,911)	(23,424)
Interest expense	174,205	52,182	393,175	111,463
Provision (benefit) for income taxes	57,753	(51,051)	(851,056)	(594,890)
Adjusted EBITDA	<u>\$ 1,566,649</u>	<u>\$ 1,041,286</u>	<u>\$ 682,147</u>	<u>\$ 880,793</u>

Use of Non-GAAP Financial Measures and Reconciliation of Non-GAAP EPS to GAAP

Adjusted EPS excludes the impact of certain items and, therefore, has not been calculated in accordance with GAAP. Management believes that exclusion of certain selected items assists in providing a more complete understanding of our underlying results and trends and allows for comparability with the company's peer index and industry. We use this measure along with the corresponding GAAP financial measures to manage the company's business and to evaluate the company's performance compared to prior periods and the marketplace. The Company defines Non-GAAP (loss) income attributable to common stockholders as (loss) or income before amortization, stock-based compensation, expenses related to discontinued operations, impairment of long-lived assets and non-recurring acquisition costs. Adjusted EPS expresses adjusted (loss) income on a per share basis using weighted average diluted shares outstanding.

Adjusted EPS is a non-GAAP financial measure and should not be considered in isolation or as a substitute for financial information provided in accordance with GAAP. These non-GAAP financial measures may not be computed in the same manner as similarly titled measures used by other companies. Management expects to continue to incur expenses similar to the adjusted income from continuing operations and adjusted EPS financial adjustments described above, and investors should not infer from the company's presentation of these non-GAAP financial measures that these costs are unusual, infrequent or non-recurring.

The following table reconciles net income (loss) attributable to common stockholders and diluted earnings per share:

	For The Three Months Ended September 30,		For The Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income (loss) attributable to common stockholders	\$ 857,790	\$ 544,901	\$ (250,404)	\$ (1,994,461)
Amortization of intangibles	170,985	190,970	520,035	809,540
Impairment of goodwill	-	-	-	1,697,394
Stock-based compensation expense	210,280	164,857	503,419	490,140
Non-GAAP net income attributable to common stockholders	<u>\$ 1,239,055</u>	<u>\$ 900,728</u>	<u>\$ 773,050</u>	<u>\$ 1,002,613</u>
Non-GAAP net income per share attributable to common stockholders:				
Basic	<u>\$ 0.07</u>	<u>\$ 0.06</u>	<u>\$ 0.05</u>	<u>\$ 0.07</u>
Diluted	<u>\$ 0.07</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>	<u>\$ 0.06</u>
Weighted average common shares outstanding:				
Basic	<u>16,585,773</u>	<u>15,777,158</u>	<u>16,469,457</u>	<u>14,825,351</u>
Diluted	<u>17,018,614</u>	<u>16,390,206</u>	<u>16,902,298</u>	<u>15,438,400</u>