

TSS, Inc, Relocating and Expanding Factory to Address Accelerating Demand for AI-Enabled Technologies

- *Increasing facility capacity by more than 60% to a new facility*
- *Tripling capacity to test and validate direct liquid-cooled racks*
- *Power infrastructure to support racks using 3x-5x current power levels, enabling future tech roadmap*
- *New facility expected to begin operations in early 2025 to support new multiyear customer agreement*

ROUND ROCK, TX / ACCESSWIRE / October 24, 2024 / TSS, Inc. (OTCQB:TSSI), a data center services company that integrates AI and other high-performance computing infrastructure and software and provides related data center services, today announced it plans to relocate its headquarters and factory to a new location to support expected AI integration growth.

"Based on our analysis of industry trends and the deepening of our relationship with one of our largest customers, we anticipate demand for our AI-enabled rack integration services will outpace our current capacity. Our outlook for at least the next five years is for volumes to be at a similar or greater level to what we began to experience under our first, large AI-related program," said Darryll Dewan, Chief Executive Officer of TSS Inc. "In order to address not only the volume but also the ever-increasing power demands expected from the next generations of AI racks, we plan to relocate from our current facility to another nearby. We have ensured the needed additional power will be available at the selected location to accommodate the foreseeable technology roadmap, including racks consuming three to five times the power as those being produced today. We expect the new facility will be fully operational in early 2025, enabling us to meet the production requirements that we anticipate under a new multiyear customer agreement."

"We believe this new facility will require investment of approximately \$25 to \$30 million for improvements, with a significant portion of that cost allocated to bringing additional power into the building," Dewan continued. "Further, this investment will provide greatly expanded cooling capacity for our rack testing and validation stations and a tripling of our capacity to test and validate direct liquid cooled racks in addition to the more traditional air-cooled racks. We plan to finance the investment with bank debt and cash on hand."

Dewan concluded, "One of our largest customers has demonstrated a true sense of partnership in structuring an agreement supporting this capacity expansion. This is a substantial next step in positioning ourselves for continued rapid growth."

About TSS, Inc.

TSS specializes in simplifying the complex. The TSS mission is to streamline the integration and deployment of high-performance computing infrastructure and software, ensuring that end users quickly receive and efficiently utilize the necessary technology. Known for flexibility, the company builds, integrates, and deploys custom, high-volume solutions that empower data centers and catalyze the digital transformation of generative AI and other leading-edge technologies essential for modern computing, data, and business needs. TSS's reputation is built on passion and experience, quality, and fast time to value. As trusted partners of the world's leading data center technology providers, the company manages and deploys billions of dollars in technology each year. For more information, visit www.tssiusa.com.

Forward Looking Statements

This press release may contain "forward-looking statements" -- that is, statements related to future -- not past -- events, plans, and prospects. In this context, forward-looking statements may address matters such as our expected future business and financial performance, and often contain words such as "guidance," "prospects," "expects," "anticipates," "intends," "plans," "believes," "seeks," "should," or "will." Forward-looking statements by their nature address matters that

are, to different degrees, uncertain. Particular uncertainties that could adversely or positively affect the Company's future results include: we may not have sufficient resources to fund our business and may need to issue debt or equity to obtain additional funding; our reliance on a significant portion of our revenues from a limited number of customers and our ability to diversify our customer base; risks relating to operating in a highly competitive industry; risks relating to supply chain challenges; risk related to changes in labor market conditions; risks related to the implementation of a new enterprise resource IT system; risks related to the development of our procurement services business; risks relating to rapid technological, structural, and competitive changes affecting the industries we serve; risks involved in properly managing complex projects; risks relating to the possible cancellation of customer contracts on short notice; risks relating to our ability to continue to implement our strategy, including having sufficient financial resources to carry out that strategy; and other risks and uncertainties disclosed in our filings with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the fiscal year ended December 31, 2023. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

Contacts:

Hayden IR

James Carbonara (646-755-7412)

Brett Maas (646-536-7331)

tssi@haydenir.com

TSS, Inc.

Danny Chism, CFO

(512) 310-4908

dchism@tssiusa.com

Contact Information

James Carbonara

Partner

james@haydenir.com

6467557412

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