



## One Stop Systems Reports Q4 2025 Results

*Fourth quarter of 2025 revenue increased 70.2% year-over-year to \$12.0 million, with record quarterly gross margin of 58.5%*

*Net income from continuing operations of \$2.0 million for 2025 fourth quarter*

*Positive defense and commercial market demand is expected to support another strong year of revenue growth in 2026*

ESCONDIDO, Calif., March 18, 2026 (GLOBE NEWSWIRE) -- One Stop Systems, Inc. ("OSS" or the "Company") (Nasdaq: OSS), a leader in rugged Enterprise Class compute for artificial intelligence (AI), machine learning (ML), autonomy and sensor processing at the edge, reported results for the fourth quarter ended December 31, 2025. Fourth quarter and twelve-month comparisons are to the same year-ago periods unless otherwise noted. On December 30, 2025, the Company closed a definitive agreement to sell all assets and operations of Bressner Technology GmbH. All operations, assets, and liabilities associated with the sale of Bressner - including the gain recognized on the sale - have been classified as discontinued operations.

"The successful execution of our multi-year growth strategies produced a historic year for OSS," stated OSS President and CEO, Mike Knowles. "Our 2025 fourth quarter performance demonstrates the power of our operating model as we delivered strong profitability and record gross margins while demand accelerated across both defense and commercial markets. We believe these results capped off a transformative year and enabled the opportunistic \$22.4 million sale of Bressner in December, which helped to streamline our business, strengthen our balance sheet, and allow us to focus on higher-margin, higher-growth opportunities within our core-rugged Enterprise-Class compute markets."

Mr. Knowles, continued, "We believe our solutions are increasingly aligned with the next wave of AI-driven applications, where autonomy, sensor fusion, and real-time decision making require powerful computing at the edge. The strong momentum we experienced throughout the year was reflected in a healthy annual book-to-bill ratio for 2025 of 1.2x and is supported by key defense, commercial aerospace, healthcare, and industrial platforms that are currently deploying our hardware."

"As we look to 2026, we believe OSS has never been better positioned. We are seeing robust demand across our defense and commercial markets, supported by a deep and expanding program pipeline. Our defense and national security opportunities continue to grow as our ruggedized AI compute platforms gain traction across additional military programs and autonomous systems. This includes continued development of next-generation vision and sensor programs for the U.S. Army, additional opportunities associated with the P-8A Poseidon Aircraft, and expanding relationships with U.S. and global defense primes. At the same time, emerging applications in commercial aerospace, autonomous construction, and healthcare are expanding the need for high-performance computing at the edge. We believe that with a strong balance sheet, market leading technology, and compelling demand trends, we are well positioned to execute on these opportunities and hope to continue to build long-term value for our shareholders," concluded Mr. Knowles.

### 2025 Fourth-Quarter Financial Summary

Total revenue from continuing operations increased 70.2% to \$12.0 million, from \$7.0 million in the fourth quarter of 2024. The increase was primarily due to higher revenue related to the development and production of custom server products for a defense customer, higher shipments of data storage products to a defense prime customer, shipments of

server products to a medical device customer, and shipments of compute and server products for an autonomous maritime application to a customer in Asia.

Gross margin from continuing operations was 58.5% for the three months ended December 31, 2025, compared to 9.4% in the prior year quarter, which was impacted by a \$1.2 million contract loss charge. Gross margin in the prior year quarter, excluding this charge, was 26.8%.

Total operating expenses from continuing operations increased 21.8% to \$5.1 million. This increase was predominantly attributable to higher personnel costs and higher R&D expenses associated with targeted investments in new product development.

The Company reported net income from continuing operations of \$2.0 million, or \$0.08 per diluted share for the three months ended December 31, 2025, as compared to a net loss from continuing operations of \$3.4 million, or \$(0.16) per share, in the prior year period. The Company reported non-GAAP net income from continuing operations of \$2.4 million, or \$0.09 per diluted share, compared to non-GAAP net loss of \$2.9 million, or \$(0.14) per share, in the prior year period. Net loss and non-GAAP net loss for the three-month period ended December 31, 2024, included a \$1.2 million contract loss charge.

Adjusted EBITDA, from continuing operations, a non-GAAP metric, was \$2.5 million for the three months ended December 31, 2025, compared to adjusted EBITDA loss, from continuing operations, of \$2.8 million, inclusive of a \$1.2 million contract loss charge, in the prior year period.

As of December 31, 2025, the Company reported cash and cash equivalents of \$31.2 million, restricted cash of \$2.2 million, and total working capital of \$45.3 million, compared to cash, cash equivalents, and short-term investments of \$10.0M, which included \$2.8M of cash held for discontinued operations, and total working capital of \$24.0 million at December 31, 2024.

## **2025 Twelve Months Financial Summary**

Total revenue from continuing operations increased 31.2% to \$32.2 million, from \$24.6 million for the same period last year. This increase was primarily driven by higher shipments of data storage products to a defense prime customer and to a U.S. government customer, higher revenues related to development and production of custom server products for a defense customer, and higher sales of server products to a medical device customer.

Gross margin from continuing operations was 49.6%, as compared to 2.5% in the same period last year. Prior year gross margin, excluding inventory and contract loss charges, was 36.4%. The year-over-year increase in OSS segment gross margin was primarily due to a more profitable mix of products, the non-recurrence of a \$7.1 million inventory charge and a \$1.2 million contract loss charge that were recognized in the prior year, and higher absorption.

Total operating expenses from continuing operations increased 18.9% to \$19.4 million. This increase was predominantly attributable to higher personnel costs, impact of foreign exchange rates, and higher research and development expenses associated with target investments in new product development.

OSS reported a net loss from continuing operations of \$3.1 million, or \$(0.14) per share, as compared to a net loss of from continuing operations of \$15.2 million, or \$(0.72) per share, in the prior year. The Company reported a non-GAAP net loss from continuing operations of \$1.3 million, or \$(0.06) per share, compared to a non-GAAP net loss from continuing operations of \$13.3 million, or \$(0.64) per share, in the prior year.

Adjusted EBITDA, a non-GAAP metric, from continuing operations was a loss of \$0.8 million, an improvement from an adjusted EBITDA loss, from continuing operations of \$12.8 million in the prior year.

## **Income from Discontinued Operations, net of Income Taxes**

Income from discontinued operations consists of income from our Bressner Technologies subsidiary, which was sold on December 30, 2025. Income from discontinued operations also includes the gain recognized on the sale.

Income from discontinued operations, net of income taxes, was \$8.2 million in 2025, compared to \$1.5 million in the prior year. The increase of \$6.7 million was primarily due to a \$6.7 million pre-tax gain on sale associated with the divestiture of the Bressner business.

## **2026 Full Year Outlook**

The Company is executing a strategic plan targeting both commercial and defense markets, aiming to provide integrated solutions and establish OSS as a platform incumbent on large, multi-year programs. This approach is expected to drive long-term value by increasing predictable, recurring revenue and building a strong, multi-year backlog.

The Company's expectations for 2026 take into consideration the following: continued growth in core defense and commercial markets, higher customer funded development sales compared to 2025 levels, the potential impacts of supply chain issues for certain components such as memory, and the current outlook for the federal government budget. Changes in these assumptions could positively or negatively impact OSS's results in 2026.

For the full year of 2026, OSS expects:

- Revenue growth of 20% to 25%
- Gross margin of approximately 40%
- Positive EBITDA and adjusted EBITDA

## **Conference Call**

OSS will hold a conference call to discuss its results for the fourth quarter of 2025, followed by a question-and-answer period.

Date: Wednesday, March 18, 2026

Time: 10:00 a.m. ET (7:00 a.m. PT)

Toll-free dial-in: 1-800-717-1738

International dial-in: 1-646-307-1865

Conference ID: 62298 (required for entry)

Webcast: [https://viaid.webcasts.com/starthere.jsp?ei=1745044&tp\\_key=f097b271a8](https://viaid.webcasts.com/starthere.jsp?ei=1745044&tp_key=f097b271a8)

A replay of the call will be available after 1:00 p.m. ET on March 18, 2026, through April 1, 2026.

Toll-free replay: 1-844-512-2921

International replay: 1-412-317-6671

Passcode: 1162298

## **About One Stop Systems**

One Stop Systems, Inc. (Nasdaq: OSS) is a leader in AI enabled solutions for the demanding 'edge.' OSS designs and manufactures Enterprise Class compute and storage products that enable rugged AI, sensor fusion and autonomous capabilities without compromise. These hardware and software platforms bring the latest data center performance to harsh and challenging applications, whether they are on land, sea or in the air.

OSS products include ruggedized servers, compute accelerators, flash storage arrays, and storage acceleration software. These specialized compact products are used across multiple industries and applications, including autonomous trucking and farming, as well as aircraft, drones, ships and vehicles within the defense industry.

OSS solutions address the entire AI workflow, from high-speed data acquisition to deep learning, training and large-

scale inference, and have delivered many industry firsts for industrial OEM and government customers.

As the fastest growing segment of the multi-billion-dollar edge computing market, AI enabled solutions require-and OSS delivers-the highest level of performance in the most challenging environments without compromise.

OSS products are available directly or through global distributors. For more information, go to [www.onestopsystems.com](http://www.onestopsystems.com). You can also follow OSS on [X](#), [YouTube](#), and [LinkedIn](#).

### **Non-GAAP Financial Measures**

We believe 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) before interest, taxes, depreciation, amortization, acquisition expense, impairment of long-lived assets, financing costs, government funded programs, 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, we believe that providing a non-GAAP financial measure that excludes non-cash and non-recurring expenses allows for meaningful comparisons between our core business operating results and those of other companies, as well as providing us with an important tool for financial and operational decision making and for evaluating our own core business operating results over different periods of time.

Our adjusted EBITDA measure may not provide information that is directly comparable to that provided by other companies in our industry, as other companies in our industry may calculate non-GAAP financial results differently, particularly related to non-recurring and unusual items. Our 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			
	December 31,		For the Year Ended December 31,	
	2025	2024	2025	2024
Income (loss) from continuing operations	\$ 2,036,415	\$ (3,409,341)	\$ (3,097,848)	\$ (15,168,287)
Depreciation	188,274	196,954	771,552	927,282
Amortization of right-of-use assets net of change in lease liability	(4,779)	(2,032)	(11,438)	31,730
Stock-based compensation expense	347,263	526,146	1,820,705	1,856,417
Interest expense	100	163	2,523	4,027
Interest income	(118,994)	(100,805)	(278,788)	(477,745)
Provision for income taxes	11,310	2,560	11,310	2,560
Adjusted EBITDA	\$ 2,459,589	\$ (2,786,354)	\$ (781,984)	\$ (12,824,016)

	For the Three Months Ended			
	December 31,		For the Year Ended December 31,	
	2025	2024	2025	2024
Income from discontinued operations, net of income taxes	\$ 6,826,155	\$ 274,558	\$ 8,185,542	\$ 1,533,954
Gain on sale, net of transaction expenses	(6,707,021)	\$ -	(6,707,021)	-
Depreciation	128,242	\$ 29,463	221,741	114,555
Amortization of right-of-use assets net of change in lease liability	1,078	\$ (456)	54,873	(1,845)
Stock-based compensation expense	32,817	\$ 38,030	132,331	131,708
Interest expense	9,856	\$ 3,043	50,374	70,089
Interest income	(555)	\$ -	-	-
Provision for income taxes	51,123	\$ 154,560	651,658	723,942
Adjusted EBITDA	\$ 341,695	\$ 499,198	\$ 2,589,498	\$ 2,572,403

	For the Three Months Ended			
	December 31,		For the Year Ended December 31,	
	2025	2024	2025	2024
Net income (loss)	\$ 8,862,570	\$ (3,134,783)	\$ 5,087,694	\$ (13,634,333)
Gain on sale, net of transaction expenses	(6,707,021)	-	(6,707,021)	-
Depreciation	316,516	226,417	993,293	1,041,837
Amortization of right-of-use assets net of change in lease liability	(3,701)	(2,488)	43,435	29,885
Stock-based compensation expense	380,080	564,176	1,953,036	1,988,125
Interest expense	9,956	3,206	52,897	74,116
Interest income	(119,548)	(100,805)	(278,788)	(477,745)
Provision for income taxes	62,433	157,120	662,968	726,502
Adjusted EBITDA	\$ 2,801,285	\$ (2,287,157)	\$ 1,807,513	\$ (10,251,613)

(Dollars may not calculate due to rounding)

Adjusted EPS excludes the impact of certain items and, therefore, has not been calculated in accordance with GAAP. We believe that exclusion of certain selected items assists in providing a more complete understanding of our underlying results and trends and allows for comparability with our peer company index and industry. We use this measure along with the corresponding GAAP financial measures to manage our business and to evaluate our performance compared to prior periods and the marketplace. The Company defines non-GAAP income (loss) as income or (loss) before amortization, government funded programs, impairment of long lived assets, stock-based compensation, expenses related to discontinued operations, and acquisition costs. Adjusted EPS expresses adjusted income (loss) 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. We expect 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 our presentation of these non-GAAP financial measures that these costs are unusual,

infrequent or non-recurring.

The following table reconciles non-GAAP net income and basic and diluted earnings per share:

Non-GAAP Adjusted EPS from Continuing Operations

	For the Three Months Ended		For the Year Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Income (loss) from continuing operations	\$ 2,036,415	\$ (3,409,341)	\$ (3,097,848)	\$ (15,168,287)
Stock-based compensation expense	347,263	526,146	1,820,705	1,856,417
Non-GAAP net income (loss)	\$ 2,383,678	\$ (2,883,195)	\$ (1,277,143)	\$ (13,311,870)
Non-GAAP net income (loss) per share:				
Basic	\$ 0.10	\$ (0.14)	\$ (0.06)	\$ (0.64)
Diluted	\$ 0.09	\$ (0.14)	\$ (0.06)	\$ (0.64)
Weighted average common shares outstanding:				
Basic	24,544,604	21,120,396	22,403,267	20,953,397
Diluted	25,500,236	21,120,396	22,403,267	20,953,397

Non-GAAP Adjusted EPS from Discontinued Operations

	For the Three Months Ended		For the Year Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Income from discontinued operations, net of income taxes	\$ 6,826,155	\$ 274,558	\$ 8,185,542	\$ 1,533,954
Gain on sale, net of transaction expenses	(6,707,021)	-	(6,707,021)	-
Stock-based compensation expense	32,817	38,030	132,331	131,708
Non-GAAP net income	\$ 151,951	\$ 312,588	\$ 1,610,852	\$ 1,665,662
Non-GAAP net income per share:				
Basic	\$ 0.01	\$ 0.01	\$ 0.07	\$ 0.08
Diluted	\$ 0.01	\$ 0.01	\$ 0.07	\$ 0.08
Weighted average common shares outstanding:				
Basic	24,544,604	21,120,396	22,403,267	20,953,397
Diluted	24,544,604	21,544,452	23,205,705	21,432,890

Consolidated Non-GAAP Adjusted EPS

	For the Three Months Ended		For the Year Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Net income (loss)	\$ 8,862,570	\$ (3,134,783)	\$ 5,087,694	\$ (13,634,333)
Gain on sale, net of transaction expenses	(6,707,021)	-	(6,707,021)	-
Stock-based compensation expense	380,080	564,176	1,953,036	1,988,125
Non-GAAP net income (loss)	\$ 2,535,629	\$ (2,570,607)	\$ 333,709	\$ (11,646,208)
Non-GAAP net income (loss) per share:				
Basic	\$ 0.10	\$ (0.12)	\$ 0.01	\$ (0.56)
Diluted	\$ 0.10	\$ (0.12)	\$ 0.01	\$ (0.56)
Weighted average common shares outstanding:				
Basic	24,544,604	21,120,396	22,403,267	20,953,397
Diluted	25,500,236	21,120,396	23,205,705	20,953,397

(Dollars may not calculate due to rounding)

## Forward-Looking Statements

One Stop Systems cautions you that statements in this press release that are not a description of historical facts are forward-looking statements. Words such as, but not limited to, "anticipate," "aim," "believe," "contemplate," "continue," "could," "design," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "seek," "should," "suggest," "strategy," "target," "will," "would," and similar expressions or phrases, or the negative of those expressions or phrases, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements include but are not limited to statements in this press release relating

to the Company's expected financial performance and outlook for 2026, including anticipated revenue growth, gross margin and EBITDA expectations; anticipated demand trends across defense and commercial markets; expected customer-funded development activity; the Company's ability to execute its strategic plan and secure positions on large, multi-year programs; opportunities related to defense and national security programs and commercial applications such as aerospace, autonomous systems, construction and healthcare; the anticipated benefits from the sale of Bressner Technology GmbH, including improved focus on higher-margin opportunities; and the potential impact of supply chain conditions, component availability and government budget considerations on the Company's operations and results. The inclusion of forward-looking statements should not be regarded as a representation by One Stop Systems or its partners that any of its plans or expectations will be achieved, including but not limited to expected increases in sales, revenues and profitability, non-GAAP financial measures, our multi-year strategy, expected market growth, continued or new demand for our products, increase in margins, and operating expenses. These statements are based on the Company's current beliefs and expectations. Actual results may differ from those set forth in this press release due to the risk and uncertainties inherent in our business, including risks described in our prior press releases and in our filings with the Securities and Exchange Commission (SEC), including under the heading "Risk Factors" in our latest Annual Report on Form 10-K and any subsequent filings with the SEC, as well as those relating to current geopolitical conditions, defense spending changes, semiconductor supply constraints, and customer concentration. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and the Company undertakes no obligation to revise or update this press release to reflect events or circumstances after the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement, which is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

**Media Contacts:**

Robert Kalebaugh  
One Stop Systems, Inc.  
Tel (858) 518-6154

[Email contact](#)

**Investor Relations:**

Andrew Berger  
Managing Director  
SM Berger & Company, Inc.  
Tel (216) 464-6400

[Email contact](#)

**ONE STOP SYSTEMS, INC. (OSS)**  
**CONSOLIDATED BALANCE SHEETS**

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents: held for continuing operations	\$ 31,174,880	\$ 4,043,000
Cash and cash equivalents: held for discontinued operations	-	2,751,092
Restricted cash	\$ 2,200,096	\$ -
Short-term investments	-	3,217,065
Accounts receivable, net	11,549,718	4,188,839
Inventories, net	5,420,439	5,692,317
Prepaid expenses and other current assets	472,884	603,469
Other current assets of discontinued operations	-	11,705,265
Total current assets	50,818,017	32,201,048
Property and equipment, net	674,654	1,331,811
Operating lease right-of use assets	1,216,871	1,437,604
Deposits and other	38,093	38,093
Intangible assets, net	73,908	-
Non-current assets of discontinued operations	-	1,925,427
Total Assets	\$ 52,821,543	\$ 36,933,982
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 1,716,389	\$ 955,099
Accrued expenses and other liabilities	3,630,130	3,473,935
Current portion of operating lease obligation	219,097	227,965
Current liabilities of discontinued operations	-	3,538,681
Total current liabilities	5,565,616	8,195,679
Operating lease obligation, net of current portion	1,249,862	1,473,166
Non-current liabilities of discontinued operations	-	93,092
Total liabilities	6,815,478	9,761,937
Commitments and contingencies	-	-
Stockholders' equity		
Common stock, \$0.0001 par value; 50,000,000 shares authorized; 24,583,775 and 21,148,810 shares issued and outstanding at December 31, 2025 and 2024, respectively	2,458	2,115
Additional paid-in capital	62,968,973	49,082,737
Accumulated other comprehensive income	-	140,254
Accumulated deficit	(16,965,367)	(22,053,061)
Total stockholders' equity	46,006,064	27,172,045
Total Liabilities and Stockholders' Equity	\$ 52,821,543	\$ 36,933,982

**ONE STOP SYSTEMS, INC. (OSS)**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Dollars may not calculate due to rounding)

	For the Three Months Ended		For the Year Ended December	
	December 31,		31,	
	2025	2024	2025	2024
Revenue:				
Product	\$ 11,359,039	\$ 6,183,406	\$ 30,498,162	\$ 20,867,800
Customer funded development	626,423	859,207	1,717,338	3,691,009
	<u>11,985,462</u>	<u>7,042,613</u>	<u>32,215,500</u>	<u>24,558,809</u>
Cost of revenue:				
Product	4,793,258	4,447,691	15,353,945	19,913,178
Customer funded development	182,493	1,930,800	879,072	4,022,707
	<u>4,975,750</u>	<u>6,378,491</u>	<u>16,233,017</u>	<u>23,935,885</u>
Gross profit	<u>7,009,711</u>	<u>664,122</u>	<u>15,982,483</u>	<u>622,924</u>
Operating expenses:				
General and administrative	1,813,537	1,873,906	7,357,357	7,203,628
Marketing and selling	1,668,565	1,219,362	6,566,701	5,616,704
Research and development	1,598,688	1,078,172	5,437,537	3,466,077
Total operating expenses	<u>5,080,790</u>	<u>4,171,440</u>	<u>19,361,595</u>	<u>16,286,409</u>
Income (loss) from operations	<u>1,928,922</u>	<u>(3,507,317)</u>	<u>(3,379,112)</u>	<u>(15,663,485)</u>
Other income (expense), net:				
Interest income	118,994	100,805	278,788	477,745
Interest expense	(100)	(163)	(2,523)	(4,027)
Other income, net	(91)	(105)	16,309	24,040
Total other income, net	<u>118,803</u>	<u>100,537</u>	<u>292,574</u>	<u>497,758</u>
Income (loss) from continuing operations before income taxes	2,047,725	(3,406,781)	(3,086,538)	(15,165,727)
Provision for income taxes	11,310	2,560	11,310	2,560
Income (loss) from continuing operations	<u>2,036,415</u>	<u>(3,409,341)</u>	<u>(3,097,848)</u>	<u>(15,168,287)</u>
Income from discontinued operations, net of income taxes	6,826,155	274,558	8,185,542	1,533,954
Net income (loss)	<u>\$ 8,862,570</u>	<u>\$ (3,134,783)</u>	<u>\$ 5,087,694</u>	<u>\$ (13,634,333)</u>
Per share basis:				
Basic:				
Continuing operations	\$ 0.08	\$ (0.16)	\$ (0.14)	\$ (0.72)
Discontinued operations	\$ 0.28	\$ 0.01	\$ 0.37	\$ 0.07
Basic income (loss) per share	<u>\$ 0.36</u>	<u>\$ (0.15)</u>	<u>\$ 0.23</u>	<u>\$ (0.65)</u>
Diluted:				
Continuing operations	\$ 0.08	\$ (0.16)	\$ (0.14)	\$ (0.72)
Discontinued operations	\$ 0.27	\$ 0.01	\$ 0.35	\$ 0.07
Diluted income (loss) per share	<u>\$ 0.35</u>	<u>\$ (0.15)</u>	<u>\$ 0.22</u>	<u>\$ (0.65)</u>
Weighted average common shares outstanding:				
Basic	24,544,604	21,120,396	22,403,267	20,953,397
Diluted	25,500,236	21,544,452	23,205,705	21,432,890

**ONE STOP SYSTEMS, INC. (OSS)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the Year Ended December  
31,

	2025	2024
Cash flows from continuing operating activities:		
Loss from continuing operations	\$ (3,097,848)	\$ (15,168,287)
<i>Adjustments to reconcile loss from continuing operations to net cash provided by (used in) continuing operating activities:</i>		
Depreciation	771,552	927,282
Loss on disposal of property & equipment	-	354
Provision for credit losses	(100)	40,000
Amortization of right-of-use assets	220,733	230,265
Stock-based compensation expense	1,820,705	1,856,417
Change in warranty reserves	95,000	(60,000)
Change in inventory reserves	(402,809)	7,088,114
<i>Changes in operating assets and liabilities:</i>		
Accounts receivable, net	(7,360,779)	833,680
Inventories	674,687	211,794
Prepaid expenses and other current assets	137,457	(149,549)
Accounts payable	761,291	223,211
Accrued expenses and other current liabilities	195,998	1,569,022
Operating lease liabilities	(232,171)	(198,535)
Net cash used in continuing operating activities	<u>(6,416,284)</u>	<u>(2,596,232)</u>
Cash flows from continuing investing activities:		
Purchases of property and equipment	(114,596)	(228,258)
Purchase of intangible assets	(73,908)	-
Proceeds from sale of marketable securities	3,217,065	4,553,535
Net cash provided by continuing investing activities	<u>3,028,561</u>	<u>4,325,278</u>
Cash flows from continuing financing activities:		
Proceeds from issuance of common stock	12,500,000	-
Proceeds from exercise of stock options	1,022,979	237,749
Payment of withholding taxes on stock-based awards	(654,925)	(466,762)
Payment of stock issuance costs	(934,854)	-
Net cash provided by (used in) continuing financing activities	<u>11,933,200</u>	<u>(229,013)</u>
Net change in cash, cash equivalents, and restricted cash from continuing operations	<u>8,545,477</u>	<u>1,500,032</u>
Net cash flow from discontinued operating activities	323,346	2,488,134
Net cash flow from discontinued investing activities	17,273,456	(134,491)
Net cash flow from discontinued financing activities	136,149	(954,939)
Net change in cash, cash equivalents, and restricted cash from discontinued operations	<u>17,732,951</u>	<u>1,398,705</u>
Effect of exchange rate changes on cash	\$ 302,455	\$ (153,592)
Net change in cash, cash equivalents, and restricted cash	<u>\$ 26,580,883</u>	<u>\$ 2,745,145</u>
Cash, cash equivalents, and restricted cash, beginning of period:	\$ 6,794,093	\$ 4,048,948
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 33,374,976</u>	<u>\$ 6,794,093</u>

