UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): October 31, 2018

ONE STOP SYSTEMS, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**001-38371**	**33-0885351**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

2235 Enterprise Street #110
Escondido, California 92029
(760) 745-9883

(Address and Telephone Number of Registrant's Principal Executive Offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933(§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 9.01 Financial Statements and Exhibits.

On November 6, 2018, One Stop Systems, Inc., a Delaware corporation (the “Company”), filed a Current Report on Form 8-K (the “Original Form 8-K”) with the Securities and Exchange Commission regarding the closing of a Share Purchase Agreement (the “Purchase Agreement) by and between One Stop Systems GmbH, a limited liability company under the laws of Germany (the “Purchaser”), and wholly-owned subsidiary of the Company, and the shareholders of Bressner Technology GmbH, a limited liability company under the laws of Germany (“Bressner”).

This Current Report on Form 8-K/A (“Amendment No. 1”) amends and supplements the Original Form 8-K to provide certain financial statements and pro forma financial information as required by Items 9.01(a) and (b) of Form 8-K. No other amendments are being made to the Original Form 8-K by this Amendment No. 1. This Amendment No. 1 should be read in connection with the Original Form 8-K, which provides a more complete description of the acquisition of Bressner.

(a) Financial Statements of Business Acquired.

The audited financial statements of Bressner as of and for the years ended December 31, 2017 and 2016, and the independent auditors’ report related thereto, are attached hereto as Exhibit 99.1.

The unaudited financial statements of Bressner as of September 30, 2018, and the nine month periods ended September 30, 2018 and 2017, and the independent accountants’ report related thereto, are attached hereto as Exhibit 99.2.

The consent of BDO AG Wirtschaftsprüfungsgesellschaft with respect to the Registration Statement of One Stop Systems, Inc. on Form S-8 (No. 333-227671) is attached as Exhibit 23.1 hereto.

(b) Pro Forma Financial Information.

The unaudited pro forma combined consolidated statements of operations for the year ended December 31, 2017, the nine months ended September 30, 2018, and balance sheet as of September 30, 2018, which give effect to the acquisition of Bressner, are attached hereto as Exhibit 99.3.

(d) Exhibits.

Exhibit No.	Description
23.1	Consent of BDO AG Wirtschaftsprüfungsgesellschaft.
99.1	The audited financial statements of Bressner Technology GmbH as of and for the years ended December 31, 2017 and 2016, and the independent auditor’s report related thereto.
99.2	The unaudited financial statements of Bressner Technology GmbH as of September 30, 2018, and for the nine month periods ended September 30, 2018 and 2017, and the independent accountants’ report related thereto.
99.3	The unaudited pro forma combined consolidated statements of operations for the year ended December 31, 2017, the nine months ended September 30, 2018, and balance sheet as of September 30, 2018, which give effect to the acquisition of Bressner Technology GmbH.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ONE STOP SYSTEMS, INC.

Dated: January 15, 2019

By: /s/ Steve Cooper
Steve Cooper
President, Chief Executive Officer and Chairman

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

One Stop Systems Inc.
Escondido, CA

We consent to the incorporation by reference in Registration Statement No. 333-227671 on Form S-8 of One Stop Systems, Inc. of our report dated 13 December 2018 with respect to the financial statements of Bressner Technology GmbH included in this current report on Form 8-K.

BDO AG Wirtschaftsprüfungsgesellschaft

/s/ Uwe Braunschläger	/s/ Frank Werner
Uwe Braunschläger	Frank Werner
Wirtschaftsprüfer, CPA	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Munich, Germany
13 December 2018

Exhibit 99.1

Bressner Technology GmbH

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

Bressner Technology GmbH

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1. Auditors Opinion

INDEPENDENT AUDITORS' REPORT

One Stop Systems, Inc.
2235 Enterprise Street #110
Escondido, CA 92029
United States of America

Bressner Technology GmbH
Industriestr. 51
82194 Gröbenzell
Germany

We have audited the accompanying financial statements of Bressner Technology GmbH (the "Company"), which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of income for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the Federal Republic of Germany; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations in accordance with accounting principles generally accepted in the Federal Republic of Germany.

Emphasis of Matter – Reconciliation to US GAAP

We draw attention to Footnotes 5-10, which reconcile the results for the periods from accounting principles generally accepted in the Federal Republic of Germany (German Generally Accepted Accounting Principles) to the accounting principles generally accepted in the United States of America (U.S. GAAP) due to significant differences that exist between German Generally Accepted Accounting Principles and US GAAP. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Acquisition of the Company

On October 31, 2018, the Company was acquired by One Stop Systems, Inc., a publicly-traded company.

Munich/Germany, 13 December 2018

BDO AG

Wirtschaftsprüfungsgesellschaft

/s/ Uwe Braunschläger	/s/ Frank Werne
Uwe Braunschläger	Frank Werner
Wirtschaftsprüfer, CPA	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

2. Balance Sheets according to local GAAP

	31.12.2017 €	31.12.2016 €
A. FIXED ASSETS		
I. Intangible assets		
1. Software	8.788	4.621
2. Prepayment for software	108.942	48.990
II. Property, plant and equipment		
Fixtures, fittings and equipment	113.330	133.421
Total fixed assets	231.060	187.032
B. CURRENT ASSETS		
I. Inventories		
1. Finished goods	2.676.919	1.316.619
2. Advance payments	86.026	99.408
II. Accounts receivable and other assets		
1. Accounts receivable from trading	1.851.563	2.012.780
2. Other assets	32.783	64.133
Total current assets	4.647.291	3.492.940
III. Cash on hand and cash in banks	249.673	179.551
C. DEFERRED CHARGES AND PREPAID EXPENSES	32.439	19.447
	5.160.463	3.878.970

	31.12.2017 €	31.12.2016 €
A. STOCKHOLDERS' EQUITY		
I. Capital subscribed	30.000	30.000
II. Capital reserve	56.425	56.425
III. Earnings reserves	485.000	485.000
IV. Retained earnings	2.005.331	1.563.860
Total shareholders` equity	2.576.756	2.135.285
B. PROVISIONS AND ACCRUED LIABILITIES		
1. Accrued taxes	39.287	160.003
2. Other provisions and accrued liabilities	566.475	709.386
C. LIABILITIES		
1. Liabilities due to banks	1.668.229	437.501
2. Advance payments received on account of orders	4.871	9.327
3. Trade accounts payable	31.965	132.351
4. Other liabilities	272.880	295.117
thereof taxes Euro 251.601 (PY 192.984)		
thereof for social security Euro 790 (PY 1.532)		
Total liabilities	2.583.707	1.743.685
	5.160.463	3.878.970

3. Statements of Income according to local GAAP

	31.12.2017 €	31.12.2016 €
1. Sales	14.809.282	14.690.751
2. Other operating income	423.713	428.671
3. Cost of materials		
a) Cost of supplies	-10.716.468	-10.989.629
b) Cost of purchased services	-26.154	-181
4. Personnel expenses		
a) Wages and salaries	-1.824.406	-1.758.172
b) Social security, pension and other benefit costs	-337.015	-345.759
5. Depreciation	-45.316	-50.636
6. Other operating expenses	-1.290.921	-1.147.658
7. Interest and similar expenses	-35.530	-28.200
8. Taxes on income	-263.244	-222.266
9. Other taxes	-2.470	-2.840
10. Net income	691.471	574.081
11. Net income from prior years	1.563.860	1.189.779
12. Profit distributions	-250.000	-200.000
13. Retained earnings	2.005.331	1.563.860

4. Notes according to local GAAP

I. General disclosures to the financial statements

The financial statements as of 31 December 2017 and 2016 were prepared in accordance with the regulations of the German Commercial Code (HGB) and the Limited Liability Company Act (GmbHG).

In 2017 and 2016 the company is a small-sized corporation in accordance with § 267 HGB and exercises the exemptions for small-sized corporations as stipulated in § 288 HGB.

The Company's financial year corresponds to the calendar year.

II. Disclosures to the accounting and valuation methods

a. General disclosures

The financial statements have been prepared subject to the general statement regulations set out in sections 246-251 HGB and also subject to the special statement regulations for corporations, sections 268-274a, 276-278, and subject to the general valuation regulations of sections 252-256 HGB.

The classification of the balance sheet and the income statement was made in accordance to §§ 266, 275 HGB and § 42 GmbHG. The income statement was prepared in accordance with the total cost method. The financial statements were prepared under the assumption of going concern in accordance with § 252 sec. 1 no. 2 HGB.

The accounting and valuation methods have remained unchanged compared to the previous year, except where new knowledge required a diverging valuation.

b. Disclosures to individual balance sheet items

Intangible assets acquired in return for payment are recognized at cost and are subject to straight-line amortization over the course of their expected useful lives of 3 to 5 years.

Tangible assets are recognized at cost, less accumulated depreciation and are depreciated on a straight-line basis according to their expected useful lives of 3 to 13 years.

Low-cost assets with an individual acquisition cost of up to EUR 410 are depreciated immediately. It is assumed that they are disposed of within the fiscal year.

Inventories are recognized at acquisition or at manufacturing cost according to § 255 sec. 2 HGB. Appropriate valuation allowances were made for inventory risks resulting from the duration of storage and marketability.

Receivables and other assets are stated at their nominal value or fair value. Appropriate individual value adjustments were made for recognizable risks. The general credit risk inherent in trade receivables is covered by a general allowance taken on the net receivables that have not been individually adjusted for specific circumstances already.

Cash in hand and bank balances are recognized at nominal value.

The Company‘s subscribed capital amounts to EUR 30.000 and remains unchanged compared to the previous year.

Provisions consider all identifiable contingent liabilities and are set up in the amount necessary for repayment in accordance with reasonable commercial judgment. Provisions due after more than one year are discounted at average market interest rate (published by the Federal Bank of Germany) in accordance with their residual term. In particular, other provisions take into account obligations from warranties and royalties.

Liabilities are recognized with the amount repayable.

Assets and liabilities denominated in foreign currencies are translated at the mean spot exchange rate prevailing on the balance sheet date following the principles of § 256a HGB.

III. Further comments on the balance sheet

Other assets contain items with a remaining term of more than one year in the amount of EUR 22.445 (prior year: EUR 35.087). All other receivables and other assets fall due within one year.

The balance sheet profit includes retained earnings in the amount of EUR 1.313.860.

Liabilities with a remaining term of up to one year amount to EUR 1.311.007 (prior year: EUR 482.976), while liabilities with a remaining term of more than one year and up to five years amount to EUR 666.937 (prior year: EUR: 391.321).

Other financial obligations in the amount of EUR 150.967 result from the rental contract for the office and storage units in Gröbenzell and from software updates.

Currency forwards were used for hedging foreign currency risks. Arising losses as of balance sheet date will be shown on the balance sheet.

IV. Other mandatory disclosures

In the financial year the company had an average of 25 employees.

The company is legally represented by:

Mrs. Claudia Bressner, Managing Director (till 3 April 2017)
Mr. Josef Bressner, Managing Director
Mr. Martin Stiborski, Managing Director

Gröbenzell, 12 October 2018

Josef Bressner Martin Stiborski

5. German GAAP / US-GAAP reconciliation of the balance sheet as of December 31, 2017

Assets

	German GAAP €	Reconciliation €	US-GAAP €	Note
Current assets				
Cash and cash equivalents	249.673	-	249.673	
Accounts receivables	1.851.564	8.601	1.860.165	**A**
Inventories	2.762.944	-86.025	2.676.919	**B**
Prepaid expenses and other assets	65.222	194.967	260.189	**B**
Total current assets	4.929.403	117.543	5.046.946	
Property, plant and equipment, net	122.118	-	122.118	
Internally developed software	-	138.160	138.160	**C**
Other intangible assets, net	108.942	-108.942	-	**B**
Total assets	5.160.463	146.761	5.307.224	

Liabilities

	German GAAP €	Reconciliation €	US-GAAP €	Note
Current Liabilities				
Accounts payable	31.965	-	31.965	
Accrued expenses and other liabilities	277.751	27.195	304.946	**D**
Tax and other provisions	605.762	-	605.762	
Current portion of long-term debt	201.292	-	201.292	
Total current liabilities	1.116.770	27.195	1.143.965	
Long-term debt	1.466.937	-	1.466.937	
Deferred tax liability	-	36.940	36.940	**E**
Stockholders' equity:				
Common stock	30.000	-	30.000	
Additional paid in capital	56.425	-	56.425	
Retained earnings	2.490.331	82.626	2.572.957	**F**
Total stockholders' equity	2.576.756	82.626	2.659.382	
Total liabilities and stockholders' equity	5.160.463	146.761	5.307.224	

General Note:

The grouping of the balance sheet accounts under German GAAP differs from the US-GAAP classification of accounts. For the purpose of reconciliation, the balance sheet accounts for German GAAP have been re-grouped to follow the US-GAAP classification.

Note A:

In German-GAAP a general bad-debt provision in the amount of € 8.601 was recognized without regard to specific risk or age of receivables.

Note B:

We reconciled € 86.026 from the inventories and € 108.942 from other assets. The two amounts represent advance payments made.

Note C:

The requirement for capitalization of internally developed software was met under FASB ASC 985-20-25, Costs of Software to be Sold, Leased, or Marketed. The completion of development was determined to have occurred in January 2106, resulting in €193.000 of labor costs capitalized. The adjustment amount at yearend is net of accumulated amortization during the year. Costs for research and development prior to achievement of technological feasibility, as well as costs associated with marketing and selling the software, have been expensed as incurred. The management estimates the duration of use to be seven years.

Note D:

Unrealized losses on forward exchange contracts were recognized as liabilities in the amount of € 27.195.

Note E:

The below outlines local GAAP to US-GAAP differences resulting in deferred tax impacts in the respective amounts, using an average tax rate of 30%:

Discounting of provisions	3.650
Internally developed software	41.448
Unrealized gains and losses	-8.158
Total	36.940

Note F:

Difference is due to accumulated result of reconciliation adjustments impacting the Statements of Income.

6. German GAAP / US-GAAP reconciliation of the balance sheet as of December 31, 2016

Assets

	German GAAP €	Reconciliation €	US-GAAP €	Note
Current assets				
Cash and cash equivalents	179.551	-	179.551	
Accounts receivables	2.012.780	9.356	2.022.136	**A**
Inventories	1.416.027	-99.408	1.316.619	**B**
Prepaid expenses and other assets	83.580	203.911	287.491	**B**
Total current assets	3.691,938	113.859	3.805.797	
Property, plant and equipment, net	138.042	-	138.042	
Internally developed software	-	165.792	165.792	**C**
Other intangible assets, net	48.990	-48.990	-	**B**
Total assets	3.878.970	230.661	4.109.631	

Liabilities

	German GAAP €	Reconciliation €	US-GAAP €	Note
Current Liabilities				
Accounts payable	132.350	-	132.350	
Accrued expenses and other liabilities	304.445	98.720	403.165	**D**
Tax and other provisions	869.389	-88.381	781.008	**D**
Current portion of long-term debt	46.180	-	46.180	
Total current liabilities	1.352.364	10.339	1.362.703	
Long-term debt	391.321	-	391.321	
Deferred tax liability	-	66.782	66.782	**E**
Stockholders' equity:				
Common stock	30.000	-	30.000	
Additional paid-in capital	56.425	-	56.425	
Retained earnings	2.048.860	153.540	2.202.400	**F**
Total stockholders' equity	2.135.285	153.540	2.288.825	
Total liabilities and stockholders' equity	3.878.970	230.661	4.109.631	

General Note:

The grouping of the balance sheet accounts under German GAAP differs from the US-GAAP classification of accounts. For the purpose of reconciliation, the balance sheet accounts for German GAAP have been re-grouped to follow the US-GAAP classification.

Note A:

In German-GAAP a general bad-debt provision in the amount of € 9.356 was recognized without regard to specific risk or age of receivables.

Note B:

In addition to German GAAP the account contains unrealized gains on forward exchange contracts in the amount of € 55.513. Furthermore, we reconciled € 99.408 from the inventories and € 48.990 from other assets. The last two amounts represent advance payments made.

Note C:

The requirement for capitalization of internally developed software was met under FASB ASC 985-20-25, Costs of Software to be Sold, Leased, or Marketed. The completion of development was determined to have occurred in January 2106, resulting in €193.000 of labor costs capitalized. The adjustment amount at yearend is net of accumulated amortization during the year. Costs for research and development prior to achievement of technological feasibility, as well as costs associated with marketing and selling the software, have been expensed as incurred. The management estimates the duration of use to be seven years.

Note D:

We reclassified for US-GAAP purposes € 88.381 from other provisions to other liabilities. The amount includes outstanding invoices for goods already received. In addition, unrealized losses on forward exchange contracts were recognized as liabilities in the amount of € 10.339.

Note E:

The account contents under US-GAAP for the following causes deferred taxes in the respective amount:

Discounting of provisions	3.492
Internally developed software	49.738
Unrealized gains and losses	13.552
Total	66.782

Note F:

Difference is due to accumulated result of reconciliation adjustments impacting the Statements of Income.

7. German GAAP / US-GAAP reconciliation of the income statement as of December 31, 2017

	German GAAP €	Reconciliation €	US-GAAP €	Note
Net revenue	14.809.282	-	14.809.282	
Cost of Sales	-11.206.542	-27.632	-11.234.174	**A**
Gross profit	3.602.740	-27.632	3.575.108	
Selling and marketing	-1.343.822		-1.343.822	**B**
General expenses	-1.365.081	-755	1.365.836	
Research and development expenses	-280.831	-	-280.831	
Other income (expenses):				
Other income	377.239	-72.368	304.871	**C**
Interest expenses	-35.530	-	-35.530	
Income before provisions for income taxes	954.715	-100.755	853.960	
Income taxes	-263.244	29.841	-233.403	**D**
Net income	691.471	-70.914	620.557	

General Note:

The profit and loss accounting under German GAAP follows the total cost accounting method, whereas US-GAAP requires the cost of sales method. The classification of the profit and loss statement under German GAAP as shown in the financial statements has been adjusted to the cost of sales method for the purpose of this reconciliation.

Note A:

The difference is due to depreciation of the internally developed software.

Note B:

The amount of € 755 reflects the correction of bad debt expenses during the year.

Note C:

The differences rise from unrealized gains and losses on forward exchange contracts, which are not realized under German GAAP but recognized through profit and loss under U.S. GAAP.

Note D:

The amount of € 29.841 reflects the income statement effect of the change in deferred taxes of the year.

8. German GAAP / US-GAAP reconciliation of the income statement as of December 31, 2016

	German GAAP	Reconciliation	US-GAAP €	Note
Net revenue	14.690.751	-	14.690.751	
Cost of Sales	-11.453.116	-27.632	-11.480.748	**A**
Gross profit	3.237.635	-27.632	3.210.003	
Selling and marketing	-2.546.537	5.035	-2.541.502	**B**
General expenses				
Research and development expenses	-273.197	-	-273.197	
Other income (expenses):				
Other income	406.646	45.174	451.820	**C**
Interest expenses	-28.200	-	-28.200	
Income before provisions for income taxes	796.347	22.577	818.924	
Income taxes	-222.266	1.181	-221.085	**D**
Net income	574.081	23.758	597.839	

General Note:

The profit and loss statement under German GAAP follows the total cost accounting method, whereas US-GAAP requires the cost of sales method. The classification of the profit and loss statement under German GAAP as shown in the financial statements has been adjusted to the cost of sales method for the purpose of this reconciliation.

Note A:

The difference is due to depreciation of the internally developed software.

Note B:

The amount of € 5.035 reflects the correction of bad debt expenses during the year.

Note C:

The differences rise from unrealized gains and losses on forward exchange contracts, which are not realized under German GAAP but recognized through profit and loss under U.S. GAAP.

Note D:

The amount of € 1.181 reflects the income statement effect of the change in deferred taxes of the year.

9. Statements of Cash Flows

	31.12.2017 €	31.12.2016 €
Cash flows from operating activities:		
Net income	620.557	597.839
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	72.948	78.268
Provisions for bad debts	20.194	-12.049
Changes in operating assets and liabilities:		
Decrease / (Increase) in accounts receivables and other assets	176.864	-1.202.209
(Increase) / Decrease in inventories	-1.360.299	1.095.316
(Increase) in prepaid expenses and other expenses	-7.785	-120.122
(Decrease) in accounts payables	-100.386	-436.631
(Decrease) / Increase in accrued expenses and other liabilities	-98.220	192.349
(Decrease) / Increase in deferred tax	-29.841	1.181
(Decrease) / Increase in tax and other provisions	-175.246	71.775
Net cash (used in) provided by operating activities:	**-881.214**	**265.717**
Cash flows from investing activities:		
Purchase of property and equipment	-29.391	-19.348
Net cash used in investing activities:	**-29.391**	**-19.348**
Cash flows from financing activities:		
Proceeds from bank loans	1.355.111	250.000
Repayment of bank loans	-124.384	-473.042
Dividends paid	-250.000	-200.000
Net cash provided by (used in) financing activities:	**980.727**	**-423.042**
Net change in cash	70.122	-176.673
Cash at the beginning period	179.551	356.224
Cash at the end of the period	249.673	179.551

Note:

The cash flow statement is not required for German GAAP. The cash flow activities are prepared on US GAAP figures.

10. Statement of Stockholder's Equity

	Common Stock €	Additional paid-in capital €	Retained Earnings €	Stockholders' Equity €
Balance December 31, 2015	30.000	56.425	1.804.561	1.890.986
Stockholder distributions	-	-	-200.000	-200.000
Net Income	-	-	597.839	597.839
Balance, December 31, 2016	30.000	56.425	2.202.400	2.288.825
Stockholder distributions	-	-	-250.000	-250.000
Net income	-	-	620.557	620.557
Balance, December 31, 2017	30.000	56.425	2.572.957	2.659.382

The Statement of Stockholders' Equity is not required for German GAAP. The statement activities are prepared on U.S. GAAP figures.

Exhibit 99.2

Bressner Technology GmbH

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REVIEW REPORT

AS OF SEPTEMBER 30, 2018 AND FOR THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2018 AND 2017

Bressner Technology GmbH

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1. Accountant's Review Report

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

One Stop Systems, Inc.
2235 Enterprise Street #110
Escondido, CA 92029
United States of America

Bressner Technology GmbH
Industriestr. 51
82194 Gröbenzell
Germany

We have reviewed the accompanying financial statements of Bressner Technology GmbH (the "Company") which comprise the balance sheet as of September 30, 2018, and the related statements of income for the nine month periods ended September 30, 2018 and 2017, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements, which, as described in Note 4 to the financial statements, have been prepared in accordance with accounting principles generally accepted in the Federal Republic of Germany; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the Federal Republic of Germany. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the Federal Republic of Germany.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 4 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with accounting principles generally accepted in the Federal Republic of Germany ("Local GAAP"), which is a basis of accounting other than accounting principles generally accepted in the United States of America ("US GAAP"). Therefore, we draw attention to Notes 5-10, which reconcile the results for the periods from Local GAAP to US GAAP, due to differences that exist between the two. Our conclusion is not modified with respect to this matter.

Emphasis of Matter – Acquisition of the Company

On October 31, 2018, the Company was acquired by One Stop Systems, Inc., a publicly-traded company.

Munich/Germany, 13 December 2018

BDO AG
Wirtschaftsprüfungsgesellschaft

/s/ Uwe Braunschläger	/s/ Frank Werner
Uwe Braunschläger	Frank Werner
Wirtschaftsprüfer, CPA	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

2. Balance Sheets according to local GAAP (unaudited)

		30.09.2018 €
A.	**FIXED ASSETS**	
I.	**Intangible assets**	
1.	Software	149.399
2.	Prepayment for software	-
II.	**Property, plant and equipment**	
	Fixtures, fittings and equipment	90.950
	Total fixed assets	240.349
B.	**CURRENT ASSETS**	
I.	**Inventories**	
1.	Finished goods	3.543.792
2.	Advance payment	38.213
		3.582.005
II.	**Accounts receivable and other assets**	
1.	Accounts receivable from trading	1.667.128
2.	Other assets	235.312
	Total current assets	1.902.440
III.	**Cash on hand and cash in banks**	96.761
C.	**DEFERRED CHARGES AND PREPAID EXPENSES**	19.716
		5.841.271

		30.09.2018 €
A.	**STOCKHOLDERS‘ EQUITY**	
I.	**Capital subscribed**	30.000
II.	**Capital reserve**	56.425
III.	**Earnings reserves**	485.000
IV	**Retained earnings**	2.408.708
	Total stockholders‘ equity	2.980.133
B.	**PROVISIONS AND ACCRUED LIABILITIES**	
1.	Accrued taxes	42.960
2.	Other provisions and accrued liabilities	549.117
		592.077
C.	**LIABILITIES**	
1.	Liabilities due to banks	1.446.344
2.	Advance payments received on account of orders	2.000
3.	Trade accounts payable	754.692
4.	Other liabilities	66.025
	Total liabilities	2.861.138
		5.841.271

3. Statements of Income according to local GAAP (unaudited)

	30.09.2018 €	30.09.2017 €
1. Sales	10.155.600	10.748.276
2. Other operating income	220.771	394.896
3. Cost of materials		
a) Cost of supplies	-7.232.997	-7.905.727
b) Cost of purchased services	-	-3.674
4. Personnel expenses		
a) Wages and salaries	-1.478.921	-1.398.415
b) Social security, pension and other benefit costs	-249.236	-255.127
5. Depreciation	-50.972	-34.332
6. Other operating expenses	-784.727	-1.026.046
7. Interest income	15	-
8. Interest and similar expenses	-14.957	-22.683
9. Taxes on income	-157.172	-136.648
10. Other taxes	-4.027	-1.122
11. Net income	403.377	359.398
12. Net income from prior years	2.005.331	1.563.859
13. Profit distributions	-	-250.000
14. Retained earnings	2.408.708	1.673.257

4. Notes according to local GAAP (unaudited)

I. General disclosures to the financial statements

The financial statements as of 30 September 2018 and for the nine month periods ended 30 September 2018 and 2017 were prepared in accordance with the regulations of the German Commercial Code (HGB) and the Limited Liability Company Act (GmbHG).

In 2018 and 2017 the company is a small-sized corporation in accordance with § 267 HGB and exercises the exemptions for small-sized corporations as stipulated in § 288 HGB.

The Company's financial year corresponds to the calendar year. The reporting period for the review is from January 1 to September 30.

II. Disclosures to the accounting and valuation methods

a. General disclosures

The financial statements have been prepared subject to the general statement regulations set out in sections 246-251 HGB and also subject to the special statement regulations for corporations, sections 268-274a, 276-278, and subject to the general valuation regulations of sections 252-256 HGB.

The classification of the balance sheet and the income statement was made in accordance to §§ 266, 275 HGB and § 42 GmbHG. The income statement was prepared in accordance with the total cost method. The financial statements were prepared under the assumption of going concern in accordance with § 252 sec. 1 no. 2 HGB.

The accounting and valuation methods have been retained unchanged compared to the previous year, except where new knowledge required a diverging valuation.

b. Disclosures to individual balance sheet items

Intangible assets acquired in return for payment are recognized at cost and are subject to straight-line amortization over the course of their expected useful lives of 3 to 5 years.

Tangible assets are recognized at cost, less accumulated depreciation and are depreciated on a straight-line basis according to their expected useful lives of 3 to 13 years.

Low-cost assets with an individual acquisition cost of up to EUR 410 are depreciated immediately. It is assumed that they are disposed of within the fiscal year.

Inventories are recognized at acquisition or at manufacturing cost according to § 255 sec. 2 HGB. Appropriate valuation allowances were made for inventory risks resulting from the duration of storage and marketability.

Receivables and other assets are stated at their nominal value or present value. Appropriate individual value adjustments were made for recognizable risks. The general credit risk inherent in trade receivables is covered by a general allowance taken on the net receivables that have not been individually adjusted for specific circumstances already.

Cash in hand and bank balances are recognized at nominal value.

The Company‘s subscribed capital amounts to EUR 30.000 and remains unchanged compared to the previous year.

Provisions consider all identifiable contingent liabilities and are set up in the amount necessary for repayment in accordance with reasonable commercial judgment. Provisions due after more than one year are discounted at average market interest rates (published by the Federal Bank of Germany) in accordance with their residual term. In particular, other provisions take into account obligations from warranties and royalties.

Liabilities are recognized with the amount repayable.

Assets and liabilities denominated in foreign currencies are translated at the mean spot exchange rate prevailing on the balance sheet date following the principles of § 256a HGB.

III. Further comments on the balance sheet

Other assets contain items with a remaining term of more than one year in the amount of EUR 0 (prior year: EUR 22.604). All other receivables and other assets fall due within one year.

The balance sheet profit includes retained earnings in the amount of EUR 2.005.331.

Liabilities with a remaining term of up to one year amount to EUR 1.935.126 (prior year: EUR 2.660.629) while liabilities with a remaining term of more than one year and up to five years amount to EUR 173.650 (prior year: EUR: 298.033).

Other financial obligations in the amount of EUR 150.967 result from the rental contract for the office and storage units in Gröbenzell and from software updates.

Currency forwards were used for hedging foreign currency risks. Arising losses as of balance sheet date will be shown on the balance sheet.

IV. Other mandatory disclosures

In the financial year the company had an average of 24 employees.

The company is legally represented by:

Mr. Josef Bressner, Managing Director
Mr. Martin Stiborski, Managing Director

Gröbenzell, 13 December 2018

Josef Bressner Martin Stiborski

5. German GAAP / US-GAAP reconciliation of th e balance sheet as of September 30, 2018 (unaudited)

Assets

	German GAAP €	Reconciliation €	US-GAAP €	Note
Current assets				
Cash and cash equivalents	96.761	-	96.761	
Accounts receivables, net	1.667.128	7.741	1.674.869	**A**
Inventories, net	3.543.792	-	3.543.792	
Prepaid expenses and other assets	293.241	9.836	303.077	**B**
Total current assets	5.600.922	17.577	5.618.499	
Property, plant and equipment, net	90.950	-	90.950	
Internally developed software	-	117.436	117.436	**C**
Other intangible assets, net	149.399	-	149.399	
Total assets	5.841.271	135.013	5.976.284	

Liabilities

	German GAAP €	Reconciliation €	US-GAAP €	Note
Current Liabilities				
Accounts payable	754.692	-	754.692	
Accrued expenses and other liabilities	68.025	-	68.025	
Tax and other provisions	592.077	-	592.077	
Current portion of long-term debt	147.694	-	147.694	
Total current liabilities	1.562.488		1.562.488	
Long-term debt	1.298.650	-	1.298.650	
Deferred tax liability	-	41.400	41.400	**D**
Stockholders' equity:				
Common stock	30.000	-	30.000	
Additional paid-in capital	56.425	-	56.425	
Retained earnings	2.893.708	93.613	2.987.321	**E**
Total stockholders' equity	2.980.133	93.613	3.073.746	
Total liabilities and stockholders' equity	5.841.271	135.013	5.976.284	

General Note:

The grouping of the balance sheet accounts under German GAAP differs from the US-GAAP classification of accounts. For the purpose of reconciliation, the balance sheet accounts for German GAAP have been re-grouped to follow the US-GAAP classification.

Note A:

In German-GAAP a general bad-debt provision in the amount of € 7.741 was recognized without regard to a specific risk or age of receivables.

Note B:

In addition to German GAAP the account contains unrealized gains on forward exchange contracts in the amount of € 9.836.

Note C:

The requirement for capitalization of internally developed software was met under FASB ASC 985-20-25, Costs of Software to be Sold, Leased, or Marketed. The completion of development was determined to have occurred in January 2016, resulting in € 193.000 of labor costs capitalized. The adjustment amount at year-end is net of accumulated amortization during the year. Costs for research and development prior to achievement of technological feasibility, as well as costs associated with marketing and selling the software, have been expensed as incurred. The management estimates the duration of use to be seven years.

Note D:

The below outlines local GAAP to US-GAAP differences resulting in deferred tax impacts in the respective amounts, using an average tax rate of 30%:

Discounting of provisions	3.218
Self-developed software	35.231
Unrealized gains and losses	2.951
Total	41.400

Note E:

Difference is due to accumulated result of reconciliation adjustments impacting the Statements of Income.

6. German GAAP / US-GAAP reconciliation of the income statement for the nine months ended September 30, 2018 (unaudited)

	German GAAP €	Reconciliation €	US-GAAP €	Note
Net revenue	10.155.600	–	10.155.600	
Cost of sales	(7.633.871)	(20.724)	(7.654.595)	**A**
Gross profit	2.521.729	(20.724)	2.501.005	
Selling and marketing	(999,407)		(999,407)	
Administrative expenses	(913,792)	27.194	(886,598)	**B**
Research and development expenses	(223.903)	–	(223.903)	
Other income (expenses):				
Other income	190.865	8.976	199.841	**C**
Interest expenses (income)	(14.943)	–	(14.943)	
Income before provisions for income taxes	560.549	15.446	575.995	
Income taxes	(157.172)	(4.459)	(161.631)	**D**
Net income	403.377	10.987	414.364	

General Note:

The profit and loss statement under German GAAP follows the total cost accounting method, whereas US-GAAP requires the cost of sales method. The classification of the profit and loss statement under German GAAP as shown in the financial statements has been adjusted to the cost of sales method for the purpose of this reconciliation.

Note A:

The difference is due to depreciation of the internally developed software.

Note B:

The differences arise from unrealized gains and losses on forward exchange contracts, which are not realized under German GAAP but recognized through profit and loss under US-GAAP.

Note C:

The amount of € 8.976 reflects the adjustment of bad debt expenses during the year.

Note D:

The amount of € 4.459 reflects the income statement effect of the change in deferred taxes of the year.

7. German GAAP / US-GAAP reconciliation of the income statement for the nine months ended September 30, 2017 (unaudited)

	German GAAP €	Reconciliation €	US-GAAP €	Note
Net revenue	10.748.276	—	10.748.276	
Cost of sales	(8.269.616)	(20.724)	(8.290.340)	**A**
Gross profit	2.478.660	(20.724)	2.457.936	
Selling and marketing	(1,019,872)		(1,019,872)	
Administrative expenses	(1,084,111)	(65.234)	(1,149,345)	**B**
Research and development expenses	(220.417)	—	(220.417)	
Other income (expenses):				
Other income	364.469	(1.127)	363.342	**C**
Interest expenses	(22.683)	—	(22.683)	
Income before provisions for income taxes	496.046	(87.085)	408.961	
Income taxes	(136.648)	25.820	(110.828)	**D**
Net income	359.398	(61.265)	298.133	

General Note:

The profit and loss statement under German GAAP follows the total cost accounting method, whereas US-GAAP requires the cost of sales method. The classification of the profit and loss statement under German GAAP as shown in the financial statements has been adjusted to the cost of sales method for the purpose of this reconciliation.

Note A:

The difference is due to depreciation of the internally developed software.

Note B:

The differences arise from unrealized gains and losses on forward exchange contracts, which are not realized under German GAAP but recognized through profit and loss under US-GAAP.

Note C:

The amount of € 1.127 reflects the adjustment of bad debt expenses during the year. The remaining difference arise from the forward exchange contracts.

Note D:

The amount of € 25.820 reflects the income statement effect of the change in deferred taxes of the year.

8. Statements of Cash Flows for the nine months ended September 30, 2018 (unaudited)

	01.01.2018 - 30.09.2018
Cash flows from operating activities:	**€**
Net income	414.364
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	71.696
Provisions for bad debts	11.308
Changes in operating assets and liabilities:	
Increase / Decrease in accounts receivables and other assets	196.433
Increase / Decrease in inventories	-866.874
Increase / Decrease in prepaid expenses and other expenses	-65.331
Increase / Decrease in accounts payables	722.727
Increase / Decrease in accrued expenses and other liabilities	-236.919
Increase / Decrease in deferred tax	4.459
Increase / Decrease in tax and other provisions	-13.685
Net cash provided by operating activities:	**238.178**
Cash flows from investing activities:	
Purchase of property and equipment, intangible assets	-169.204
Net cash used in investing activities:	**-169.204**
Cash flows from financing activities:	
Repayment of bank loan	-221.886
Net cash used in financing activities:	**-221.886**
Net change in cash	-152.912
Cash at the beginning period	249.673
Cash at the end of the period:	96.761

Note:

The cash flow statement is not required for German GAAP. The cash flow activities are prepared on US GAAP figures.

9. Statements of Cash Flows for the nine months ended September 30, 2017 (unaudited)

	01.01.2017 - 30.09.2017
Cash flows from operating activities:	**€**
Net income	298.133
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation and amortization	55.056
Provisions for bad debts	32.516
Changes in operating assets and liabilities:	
Increase / Decrease in accounts receivables and other assets	224.644
Increase / Decrease in inventories	-2.536.672
Increase / Decrease in prepaid expenses and other expenses	95.587
Increase / Decrease in accounts payables	734.231
Increase / Decrease in accrued expenses and other liabilities	-178.339
Increase / Decrease in deferred tax	-25.820
Increase / Decrease in tax and other provisions	412.052
Net cash used in operating activities:	**-888.612**
Cash flows from investing activities:	
Purchase of property and equipment	-15.676
Net cash used in investing activities:	**-15.676**
Cash flows from financing activities:	
Proceeds from bank loans	1.200.000
Repayment of bank loan	-139.469
Dividends paid	-250.000
Net cash provided by financing activities:	**810.531**
Net change in cash	-93.757
Cash at the beginning period	179.551
Cash at the end of the period:	85.794

Note:

The cash flow statement is not required for German GAAP. The cash flow activities are prepared on US GAAP figures.

10. Statement of Stockholders' Equity for the nine months ended September 30, 2018 (unaudited)

	Common Stock €	Additional paid-in capital €	Retained earnings €	Stockholders' Equity €
Balance, January 1, 2018	30.000	56.425	2.572.957	2.659.382
Stockholder distributions	–	–	–	–
Net income	–	–	414.364	414.364
Balance, September 30, 2018	30.000	56.425	2.987.321	3.073.746

The Statement of Stockholders' Equity is not required for German GAAP. The statement activities are prepared on US GAAP figures.

Exhibit 99.3

One Stop Systems, Inc.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated financial statements give effect to the acquisition by One Stop Systems, GmbH ("OSS-GmbH"), of Bressner Technology GmbH, ("Bressner") following the execution on October 31, 2018, of a Share Purchase Agreement (the "Agreement") with Josef and Claudia Bressner pursuant to which Bressner was acquired by OSS-GmbH and Bressner became a wholly-owned subsidiary (the "Acquisition"). As consideration for the Acquisition, OSS-GmbH paid €4,725,000 (US$5,362,875), excluding a potential working capital adjustment, in cash and issued 106,463 of newly issued restricted shares of OSS common stock, $0.0001 par value (the "Shares"). The Acquisition closed on October 31, 2018.

The unaudited pro forma condensed consolidated financial statements are based upon the estimates and assumptions set forth herein. The unaudited pro forma information has been prepared utilizing the historical financial statements and notes thereto, for which OSS and Bressner are included herein. The unaudited pro forma financial data does not purport to be indicative of the results which actually would have been obtained had the purchase been affected on the dates indicated or of the results which may be obtained in the future. The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the historical financial statements of OSS and the historical financial statements of Bressner included herein. The pro forma adjustments are based on estimates, available information and certain assumptions and may be revised as additional information becomes available. The unaudited pro forma condensed consolidated balance sheet gives effect to the Acquisition as if it had occurred on September 30, 2018. The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2017, and for the nine month period ended September 30, 2018, give effect to the Acquisition as if it had occurred on January 1, 2017.

One Stop Systems, Inc.
Unaudited Pro Forma Condensed Consolidated Balance Sheets

	As of September 30, 2018				
	OSS	Bressner	Pro Forma Adjustments	Ref.	Combined Pro Forma
ASSETS					
Current assets:					
Cash and cash equivalents	$ 7,057,228	$ 112,345	$ (5,593,122)	(a)	$ 1,576,451
Accounts receivable, net	8,078,307	1,944,623	-		10,022,930
Inventories, net	3,408,911	4,114,555	-		7,523,466
Prepaid expenses and other current assets	426,286	351,891	-		778,177
Total current assets	18,970,732	6,523,414	(5,593,122)		19,901,024
Property and equipment, net	1,556,941	241,949	-		1,798,890
Deposits and other	49,966	-	-		49,966
Deferred tax assets, net	1,672,670	-	-		1,672,670
Goodwill	6,461,253	-	212,559	(b)	6,673,812
Intangible assets, net	2,048,202	173,461	1,777,110	(b)	3,998,773
	$ 30,759,764	$ 6,938,824	$ (3,603,453)		$ 34,095,135
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ 2,462,080	$ 876,243	$ -		$ 3,338,323
Accrued expenses and other liabilities	1,967,304	766,418	-		2,733,722
Current portion of long-term debt	-	171,481	-		171,481
Total current liabilities	4,429,384	1,814,142	-		6,243,526
Long-term debt	-	1,507,811	-		1,507,811
Deferred tax liability	-	48,068	-		48,068
	4,429,384	3,370,021	-		7,799,405
Stockholders’ equity:					
Common stock	1,407	34,832	(34,821)	(c)	1,418
Additional paid-in capital	26,995,705	65,512	163,255	(c)	27,224,472
Noncontrolling interest	67,795	-	-		67,795
Retained (deficit) earnings	(734,527)	3,468,459	(3,731,887)	(d)	(997,955)
Total stockholders’ equity	26,330,380	3,568,803	(3,603,453)		26,295,730
	$ 30,759,764	$ 6,938,824	$ (3,603,453)		$ 34,095,135

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

One Stop Systems, Inc.
Unaudited Pro Forma Condensed Consolidated Statements of Operations

	For The Nine Month Period ended September 30, 2018				
	OSS	**Bressner**	**Pro Forma Adjustments**	**Ref.**	**Combined Pro Forma**
Net revenue	$ 22,645,715	$ 12,131,576	$ -		$ 34,777,291
Cost of revenue	15,622,557	9,143,950	-		24,766,507
Gross margin	7,023,158	2,987,626	-		10,010,784
Operating expenses:					
General and administrative	3,729,530	1,059,103	35,767	(e)	4,824,400
Marketing and selling	2,567,984	1,193,862	-		3,761,846
Research and development	2,826,149	267,468	-		3,093,617
Total operating expenses	9,123,663	2,520,433	35,767		11,679,863
(Loss) income from operations	(2,100,505)	467,193	(35,767)		(1,669,079)
Other income (expense):					-
Interest expense	(55,821)	(17,850)	-		(73,671)
Other, net	96,520	238,724	-		335,244
Total other income (expense), net	40,699	220,874	-		261,573
(Loss) income before provision for income taxes	(2,059,806)	688,067	(35,767)		(1,407,506)
Provision (benefit) for income taxes	(674,809)	193,080	(4,734)	(g)	(486,463)
Net (loss) income	$ (1,384,997)	$ 494,987	$ (31,033)		$ (921,043)
Net loss attributable to noncontrolling interest	$ (369,047)	$ -	$ -		$ (369,047)
Net (loss) income attributable to common stockholders	$ (1,015,950)	$ 494,987	$ (31,033)		$ (551,996)
Net (loss) income per share attributable to common stockholders:					
Basic	$ (0.08)				$ (0.05)
Diluted	$ (0.08)				$ (0.05)
Weighted average common shares outstanding:					
Basic	12,052,175		106,463		12,158,638
Diluted	12,052,175		106,463		12,158,638

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

One Stop Systems, Inc.
Unaudited Pro Forma Condensed Consolidated Statements of Operations

	For The Year Ended December 31, 2017				
	OSS	Bressner	Pro Forma Adjustments	Ref.	Combined Pro Forma
Net revenue	$ 27,538,333	$ 16,732,104	$ -		$ 44,270,437
Cost of revenue	18,873,797	12,692,807	-		31,566,604
Gross margin	8,664,536	4,039,297	-		12,703,833
Operating expenses:					-
General and administrative	3,502,998	1,543,175	290,717	(f)	5,336,890
Marketing and selling	2,924,727	1,518,302	-		4,443,029
Research and development	2,687,249	317,293	-		3,004,542
Total operating expenses	9,114,974	3,378,770	290,717		12,784,461
(Loss) income from operations	(450,438)	660,527	(290,717)		(80,628)
Other income (expense):					-
Interest expense	(199,257)	(40,143)	-		(239,400)
Other, net	30,440	344,455	-		374,895
Total other income (expense), net	(168,817)	304,312	-		135,495
(Loss) income before provision for income taxes	(619,255)	964,839	(290,717)		54,867
(Benefit) provision for income taxes	(402,717)	263,708	(79,366)	(g)	(218,375)
Net (loss) income	$ (216,538)	$ 701,131	$ (211,351)		$ 273,242
Net loss attributable to noncontrolling interest	$ (313,158)	$ -	$ -		$ (313,158)
Net (loss) income attributable to common stockholders	$ 96,620	$ 701,131	$ (211,351)		$ 586,400
Net (loss) income per share attributable to common stockholders:					
Basic	$ 0.02				$ 0.09
Diluted	$ 0.01				$ 0.05
Weighted average common shares outstanding:					
Basic	5,449,413		1,266,364		6,715,777
Diluted	10,689,047		1,266,364		11,955,411

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

One Stop Systems, Inc.
NOTES TO UNAUDITED PRO FORMA
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1- Basis of presentation

The historical consolidated financial statements have been adjusted in the pro forma condensed consolidated financial statements to give effect to pro forma events that are (1) directly attributable to the business combination, (2) factually supportable and (3) with respect to the pro forma condensed combined statements of operations, expected to have a continuing impact on the combined results following the business combination.

The business combination was accounted for under the acquisition method of accounting in accordance with ASC Topic 805, *Business Combinations*. As the acquirer for accounting purposes, the Company has estimated the fair value of Bressner Technology GmbH's assets acquired and liabilities assumed and conformed the accounting policies of Bressner to its own accounting policies.

The pro forma consolidated financial statements do not necessarily reflect what the combined company's financial condition or results of operations would have been had the acquisition occurred on the dates indicated. They also may not be useful in predicting the future financial condition and results of operations of the combined company. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The consolidated pro forma financial information does not reflect the realization of any expected cost savings or other synergies from the acquisition of Bressner, as a result of restructuring activities and other planned cost savings initiatives following the completion of the business combination.

Note 2 – Purchase consideration

The Company acquired Bressner for cash consideration of €4,725,000 (US$5,362,875), and 106,463 shares of newly issued restricted common shares of One Stop Systems, Inc. with a fair value of $228,779 on the date of acquisition, less an estimated working capital adjustment. Fair value of the common stock issued by One Stop Systems, Inc., was determined based upon the stock price as of October 31, 2018 of $2.47 less a discount of 13.0% for lack of marketability for two years.

Note 3 - Preliminary purchase price allocation

The Company has performed a preliminary valuation analysis of the fair value of Bressner Technology GmbH's assets and liabilities. The following table summarizes the preliminary allocation of the purchase price as September 30, 2018.

Cash	$	112,345
Accounts receivable		1,944,623
Inventory		4,114,555
Prepaid expenses and deposits		351,891
Fixed assets, net		241,949
Intangible assets		173,461
Customer relationships		1,215,798
Trade name		329,515
Non-compete - Josef Bressner		231,797
Accounts payable and accrued expenses		(1,642,661)
Notes payable		(1,679,292)
Deferred tax liability		(48,068)
Total fair value excluding goodwill		5,345,913
Goodwill		212,559
Total allocated purchase price	$	5,558,472

This preliminary purchase price allocation has been used to prepare pro forma adjustments in the pro forma balance sheet and statements of operations. The determination of fair value for the identifiable net assets acquired and the allocation of the purchase price was determined by management and considered the results of a third-party appraisal of the fair value of tangible and intangible assets as of October 31, 2018, which is the actual acquisition closing date.

Note 4 - Pro Forma adjustments

The pro forma adjustments are based on management's assessment and a third-party appraisal's preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the unaudited pro forma condensed combined financial information:

(a) Reflects cash paid to Josef and Claudia Bressner in the transaction of $5,362,875, less an estimated working capital adjustment and additional acquisition costs of $263,428.

(b) Reflects the intangible assets acquired by the Company at their estimated fair values. The fair value of identifiable intangible assets is determined primarily using the "income approach," which requires a forecast of the expected future cash flows. The following table summarizes the estimated fair values of Bressner's identifiable intangible assets and their estimated useful lives. Goodwill represents the excess of the purchase price consideration over the estimated fair value of net assets acquired.

			Amortization Expense	
	Estimated Fair Value	Estimated Useful Life in Months	Year Ended December 31, 2017	Nine months ended September 30, 2018
Customer relationships	$ 1,215,798	36	$ 405,266	$ 303,950
Trade name	329,515	36	109,838	82,379
Non-compete - Josef Bressner	231,797	36	77,266	57,949
	$ 1,777,110		$ 592,370	$ 444,278

(c) Represents the net issuance of common shares for the acquisition and elimination of Bressner's outstanding stock and additional paid in capital:

Issuance of 106,463 shares of Company common stock at par $0.0001	$ 11
Additional paid in capital	228,768
	$ 228,779

(d) Represents the elimination of the historical Bressner retained earnings and to give effect to the impact of post September 30, 2018 acquisition costs for the acquisition, as follows:

Elimination of Bressner retained earnings	$ (3,468,459)
Acquisition expenses (i)	(263,428)
	$ (3,731,887)

(e) The adjustment for general and administrative expenses for the nine month period ended September 30, 2018 is as follows:

General and administrative adjustment:	
Amortization expense	$ 444,278
Acquisition expenses (i)	(107,848)
Employment agreement	(300,663)
	$ 35,767

(i) Acquisition expense for the nine month period ended September 30, 2018 and through closing of transaction on October 31, 2018 is as follows:

Acquisition expenses through September 30, 2018	$	107,848
Additional acquisition costs incurred subsequent to September 30, 2018		263,428
	$	371,276

(f) The adjustment for general and administrative expenses for the year ended December 31, 2017 is as follows:

General and administrative adjustment:		
Amortization expense	$	592,370
Employment agreements		(301,653)
	$	290,717

(ii) New employment contracts with the sole selling shareholder in connection with the acquisition of Bressner results in a decrease in annual compensation of $300,663 and $301,653, which is reflected in the pro forma statements of operations for the nine months ended September 30, 2018 and the year ended December 31, 2017, respectively.

(g) The pro forma income tax adjustments for the nine months ended September 30, 2018 were estimated based on (i) a reduction of OSS's operating expenses of $107,848 and an effective income tax rate of 33% and (ii) an increase of Bressner's operating expenses of $143,615 and an effective income tax rate of 28%.

The pro forma income tax adjustment for the year ended December 31, 2017 were estimated based on an increase of Bressner's operating expenses of $290,717 and an effective income tax rate of 27%.