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OTCQB: FCUV Investor Presentation December 2019

Forward Looking Statements

The statements in this presentation that are not historical facts may constitute forward-looking statements that are based on current expectations and are subject to risks and uncertainties that could cause actual future results to differ materially from those expressed or implied by such statements. Those risks and uncertainties include, but are not limited to, risks related to securing sufficient funding for the launch of the Universal Smart Device and related inventions or innovations as well as the continuation and results of the Universal Smart Device to meet market expectations, goals, or performance. These and other risks and uncertainties are identified and described in more detail in Focus Universal's filings with the Securities and Exchange Commission (SEC). These filings are available on the SEC's website at www.sec.gov. Focus Universal undertakes no obligation to publicly update or revise any forward-looking statements.

Offering Overview

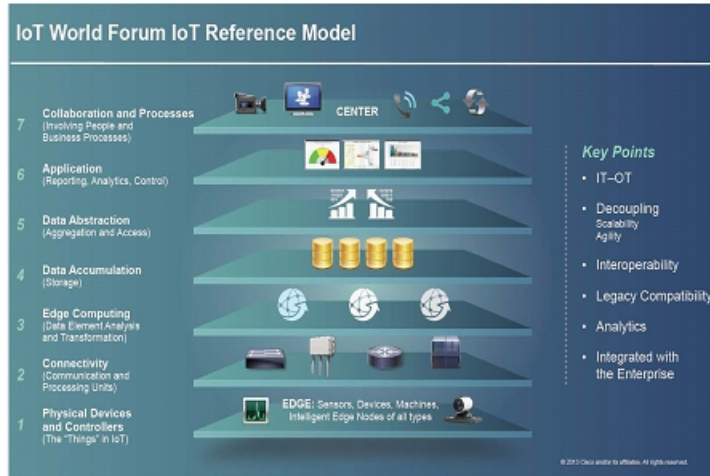|	
Issuer	**Focus Universal Inc**
Exchange/Ticker	OTCQB: FCUV
Proposed listing	Nasdaq Capital Market
Offering Size	2,000,000
Price Range	$4.00 – $6.00
Over Allotment Option	15% (100% Primary)
Use of Proceeds	Working capital, product development, including potential strategic acquisitions
Sole Book-Runner	The Benchmark Company

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Focus Universal Overview

- Focus Universal (Focus) is a Universal Shared Internet of Things (USIoT) developer and manufacturer.

- The core technology of Focus is built on a Universal Smart Instrumentation Platform **(USIP),** which provides a universal solution for embedded design, industrial monitoring and control of devices with IoT. It achieves this with an inexpensive, singular device that can connect thousands of sensors/probe.

- This patented technology replaces expensive machine-to-machine IoT with an inexpensive, universal and shared IoT. This reduces the hardware and software design costs for IoT implementation.
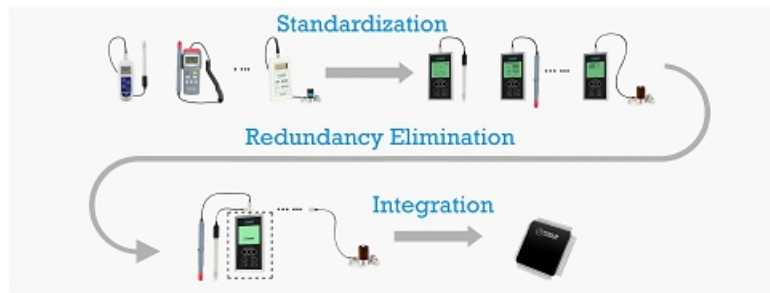
What is IOT?

- Traditional Internet of Things (IoT) is a system of interrelated computing devices, mechanical machines, digital machines or objects that are provided with unique identifiers and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction.

- Focus aims to solve Connectivity to Collaboration and Process with one unified platform.

IoT World Forum IoT Reference Model

7 Collaboration and Processes (Involving People and Business Processes)

6 Application (Reporting, Analytics, Control)

5 Data Abstraction (Aggregation and Access)

4 Data Accumulation (Storage)

3 Edge Computing (Data Element Analysis and Transformation)

2 Connectivity (Communication and Processing Units)

1 Physical Devices and Controllers (The "Things" in IoT)

CENTER

EDGE: Sensors, Devices, Machines, Intelligent Edge Nodes of all types

Key Points
- IT–OT
- Decoupling Scalability Agility
- Interoperability
- Legacy Compatibility
- Analytics
- Integrated with the Enterprise

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What We Solve – IoT Devices

Traditional Machine to Machine IoT
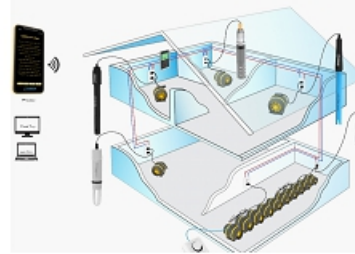

Focus USIP

➜

Wireless Network

Focus PLC Network

➜

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What We Solve - IoT Hardware Design

- Current hardware design from the scratch approach for each device is not efficient for the 21.5 billion IoT devices in the market today.

- Customized design and lack of standardization of IoT devices results in Machine-to-Machine IoT which isn't interoperable or interchangeable with other devices. Generalization of these IoT devices to common, compatible, interchangeable, interoperable devices is challenging.

Traditional Devices   Focus USIP

Market Potential

- The industrial control and factory automation market is expected to reach $202.42 billion by the year 2020 at a compound annual growth rate (CAGR) of 6.73% from 2015 to 2020 [1], the smart sensor market is expected to grow to $57.77 billion by the year 2022, at a CAGR of 18.1% between 2016 and 2022 [2].

- McKinsey Global Institute estimated that the impact of the Internet of Things on the global economy might be as high as $6.2 trillion by the year 2025 [3]. Cisco predicts the global Internet of Things market will be $14.4 trillion by the year 2022 [4].
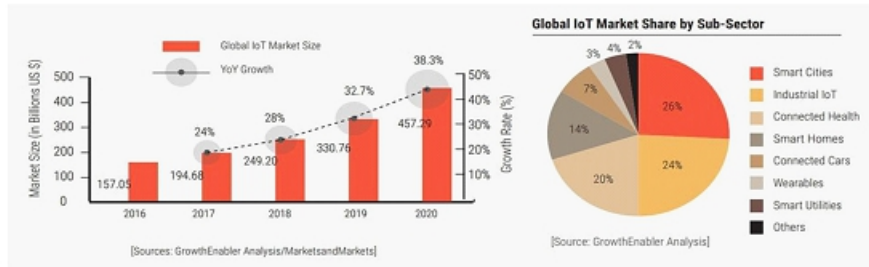
How We Solve It

■ **Complexities of Making Devices Smart** - The core value of the technology is the consolidated process for smart device development by reducing cost and time using and sharing the same common foundation of IoT. The Focus USIP starts from 90% completed in terms of hardware, software and communication network.

Concerns with Deployment of Smart IoT Solutions (US), 2017
By Company Type

|	Total N=150	Discrete Manufacturing n=75	Process Manufacturing N=75
Selecting the right solutions	59%	61%	57%
High initial/ upfront technology costs (equipment/ hardware/ devices)	59%	65%	52%
High software licensing/application costs	56%	61%	51%
Security concerns	55%	56%	53%
Higher implementation costs	55%	51%	60%
Selecting the right vendors/ providers of such technologies/ solutions	51%	51%	51%
Keeping up with technology upgrades	48%	51%	47%
Workforce morale issues (pre/ post-implementation)	25%	24%	25%
Other	3%	3%	3%

Source: Frost & Sullivan Emerging Growth
Opportunities for IoT Service Providers
Focusing on Asset Management and
Supply Chain Solutions, 2017

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Focus Universal IoT vs Traditional IoT

	FCUV	Traditional IoT
Hardware Design	Design foundation for all	Design From Scratch
Software design	Auto machine design	Coded From Scratch
Network Backbone	Power Grid	Wireless
Network Infrastructure	Preexisting	Does not exist
Network Service Fee	Free	At a cost
Overall Design	90% complete	Started from 0%
IC Integration	Up to device level	Component level

Universalization of Traditional IoT to Focus IoT

Traditional Machine to Machine IoT

USIoT
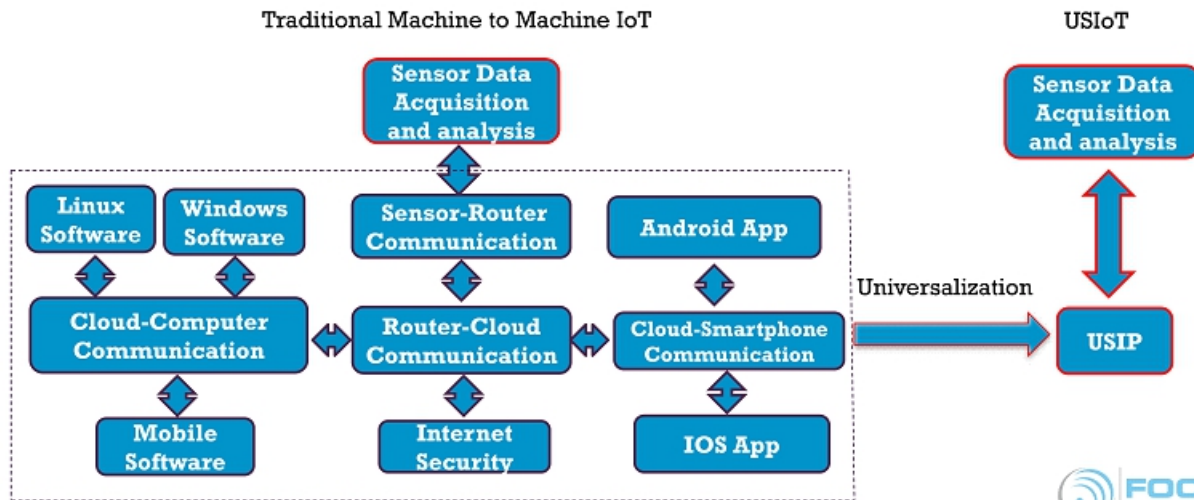
Patented Technology - USIP

- **"Universality"** is the philosophy behind the Focus Universal patented technology. "Universal Smart Device" **U.S. Patent No. 9924295** Issued in March 2018.

- The USIP utilizes a mobile device or computer to communicate with smart devices (sensors, probes, controllers) to monitor and control any functions, thus replacing traditional instrument hardware. Our interface supports real-time data monitoring, control and operation on any mobile device or computer.

- Link to video demonstration: https://vimeo.com/373246866

Patented Technology – PLC

- Powerline Communication (PLC) enables sending data over existing power cables. PLC international patent application no. **PCT/US2019/63880** filed on 11/29/19.

- This reduces new fees for new communications infrastructure, but instead uses the existing power lines.

- The power lines were used for energy distribution and not for data transmission. The harsh environment of the power lines can negatively impact the quality of data being transmitted, which is why it was used widely as an option for data communication.

- Small appliances like a hair dryer can interrupt current PLC data signal and this becomes much more in Industrial environment.

- Focus invented a new PLC technology to overcome the noise challenges which have impeded PLC progress since its invention in 1920.

- Link to live demo: https://vimeo.com/373246001

Power Line Communication Market, By Region (USD Billion)

Markets and Markets
Updated date – Oct 25, 2019
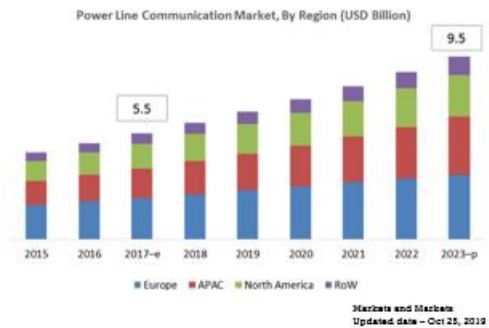
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Patented Technology – AGSD

- Manual software design for 21.5 billion IoT devices using multiple foundations is costly and inefficient.

- Focus invented Auto-Generating Software Design (AGSD) technology, US patent 10,251,037 to solve the software design time and cost issues.

- The user interface microcode is saved at the sensor node module. This interface microcode is sent to the centralized control (Ubiquitor) and finally to the display unit. The USIP saved at the display unit utilizes the microcode and converts to the user interface in milliseconds.

- The microcode can be designed by the hardware engineers, no software engineer is required.

- As long as Focus updates the USIP, the maintenance cost is free for the users.

Microsoft Azure IoT Suite	29%
Google Cloud IoT	24%
Amazon AWS IoT (Greengrass / IoT Platform / IoT Button)	19%
Cisco IoT Services	13%
Watson IoT (IBM)	10%
ThingWorx (PTC)	7%
Xively (LogMeIn)	5%
Salesforce IoT Cloud	5%
Silver Spring Networks	5%
Blue Pillar	4%
SpaceTime Insight	4%
RTI	4%
Zatar (Zebra)	4%
Arrayent	2%
Ayla Networks	2%
Other	16%

Source: Cowen Software Developer Survey, Getting In On The Ground Floor: Surveying Software Developers On Key Tech Trends, September 18, 2017

Business Model

- **Distributor Sales** – Focus Universal currently sells $1M of 1 traditional light sensor for horticulture industry to two of the largest resellers in the US. The company plans to launch over 500 sensors compatible with our USIP to sell through the same channels.

- **Licensing/White Label** – The company offers licensing solutions of the core technology to drastically reduce software engineering costs for hardware manufacturers to add smart functionality and interoperability to their products.

- **Large Commercial/Industrial Custom Solutions** – The company has the technology to customize a USIP solution to cover any business needs large and small, including:
  - Custom sensor design
  - Mapping and installation

- **B2B/B2C Sales** – The Company is creating USIP kits/packages customized by industry for direct sale through online and in-house sales channels.

Product Pipeline

Smart Home

Design completed and tested

- Lighting Control
- Air Conditional Control
- Sprinkler
- Garden Light
- Heating Floor Control
- Motorized Curtain
- Pool Filtration control
- Pool Algae Chlorine Control
- Smoke detector

Design in progress - Expected Q1 2020 completion.

- Carbon Monoxide monitoring
- Motion Detector
- Flood Detector
- Door Bell
- Security Camera

Smart Home and Industrial IoT products will be launched in 2020. This IoT network will include over 1000 sensors

Industrial IoT

Design completed and tested

- Lighting Control
- Temperature Control
- Humidity Control
- Carbon Dioxide Control
- Digital Light Control
- Quantum PAR Light
- pH Control
- TDS Control
- Fan Speed Control

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Industry Penetration

Focus adds real time monitoring, analytics and control to any industry.

Spending on Internet of Things Worldwide by Vertical in 2015 and 2020 (in billions of U.S. dollars)
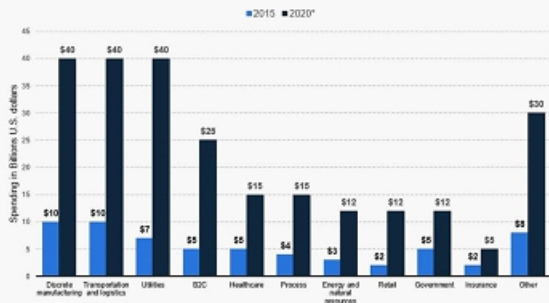

Evolution of Digital Industrial Transformation

Competitive Advantage

- **Universal Customization** – the AGSD technology to modifies and customizes applications within our app.

- **Cost Saving** – design and hardware design for monitor and control functions is reduced.

- **Interoperability** - centralizing all sensors and measuring equipment into one device allows for reusability and interoperability.

- **Ease of Use** – each device is plug and play ready featuring a user friendly app.

- **Security** – our devices have a sensor security built into the USIP.

- **Scalability** – the USIP allows end users to connect hundred to thousands of sensors .

- **Fast prototyping** – design cycle reduced from a few years to a few weeks for manufacturers.

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Competitive Advantage – Wireless Network

- The USIP solution is a closed loop process passing the information collected from the sensors through the gateway device and into an application through power line connection.

- Wireless IoT Issues:
  - Cost – up to 4x more
  - Coverage – limited range
  - Dependability – susceptible to numerous interferences
  - Security – easier to infiltrate the network remotely
  - Speed – up to 10x slower
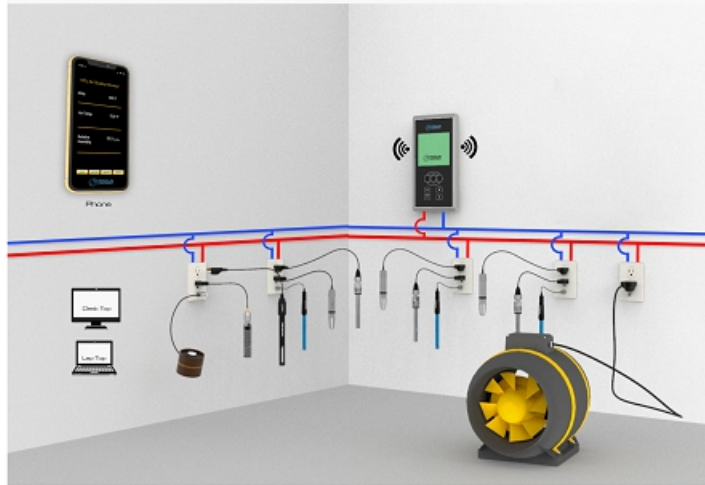
Competitive Advantage – Current Wired Issues
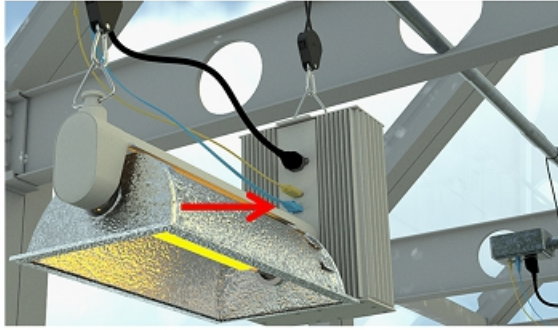
Current wired IoT solutions utilize Cat 5 and Cat 6 cables, which has issues with cost and reliability.

The lighting control and Cat Cables is eliminated by utilizing the existing power grid and USIP.

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Growth Opportunity

- **Product Development –** With our current sales into two of the largest horticulture resellers, we plan to penetrate this market first with our products.

- **Large Scale Commercial Contracts –** Our technology provides an opportunity to secure large scale industrial, government, education contracts for smart automation buildouts.

- **Strategic Acquisitions –** Our growth through strategic acquisitions is aimed to expedite the growth process on the service and support side of the business. These acquisitions targets include hardware, software and service companies.

- **Home Automation –** This is a massive market that is currently controlled by Google, Sony and Belkin among others. With the Focus technology, we can offer more customization for consumers at a much lower price point differentiating the products from the big players in the space and creating a clear entry point.

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Management

Dr. Desheng Wang - Dr. Wang is the CEO, Secretary, Director and Founder. He served as a senior research fellow at California Institute of Technology from 1994-2011. He holds a Masters degree from Dalian Institute of Chemical Physics at the Chinese Academy of Science and a Ph.D. in Chemistry at Emory University in 1994.

Dr. Edward Lee – Dr. Lee is a Founder and Chairman of the Board. Dr. Lee also serves as Chief Executive Officer of AIDP, Inc. and served as its President. He received his undergraduate degree from Lanzhou University, a graduate degree from the University of Science & Technology of China and a doctorate degree from the University of Florida.

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Board Members

Michael Pope - Mr. Pope has lead over 70 M&A transactions and raised over $500 million in debt and equity financings. He brings specific experience with fundraising, investor relations, mergers and acquisitions, and corporate strategy. Mr. Pope holds an active CPA license and serves on the boards of various private and public organizations.

Sheri Lofgren– Ms. Lofgren is a certified public accountant with extensive experience in financial accounting and management, operational improvement, budgeting and cost control, cash management and treasury, along with broad audit experience, internal control knowledge and internal and external reporting.

Carine Clark- Ms. Clark is a talented executive serving as president and CEO of four high-growth tech companies, specializing in helping companies scale from $10 million to $100 million. She has received numerous awards including the EY Entrepreneur Of The Year® Award in the Utah Region and Utah Business Magazine's CEO of the Year.

Jennifer Gu - Dr. Gu serves as as Vice President of Research & Development at AIDP. She received his undergraduate degree from the University of Florida and a doctorate degree from the University of California, Los Angeles.

Greg Butterfield – Mr. Butterfield Greg Butterfield is the founder and Managing Partner of SageCreek Partners ("SCP") a technology commercialization and consulting firm. Prior to starting SCP Mr. Butterfield served as the CEO of Vivint Solar. He received a Bachelor of Science in Business Administration from Brigham Young University.

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Recent Acquisition

- Closed an acquistion of AVX Design and Integration in Q1 of 2019.

- The company is an integrator and planner of IoT and AV devices for residential and commerical buildings.

- The company adds an installation and planning arm to the business. This provides a sales channel and installation staff for the Focus devices when they are ready for production.

AVX
DESIGN &
INTEGRATION

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Financials

Income Statement	
(In Thousands)	As of Sept 30, 2019
Revenue	$995
Cost of Sales	$752
Gross Profit	$243
Operating Expenses	$2,074
Net Loss	$(1,820)

Balance Sheet	
(In Thousands)	As of Sept 30, 2019
Cash and Cash Equivalents	$2,760
Property and Equipment	$4,697
Goodwill	$162
Total Liabilities	$442
Equity	$7,786

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FCUV Stock Analysis

Focus Universal	OTCQB: FCUV
Stock Price (12/2/19)	$5.00
Shares Outstanding	40.96 M
Public Float	9.94 M
Market Cap Value	$204.80 M

Cap Table	OTCQB: FCUV	
Desheng Wang (CEO)	14,392,400	35.14%
Edward Lee (Director)	8,400,000	20.51%
Remaining Shareholders	18,107,600	44.21%
Total Shares Outstanding	40,959,741	

Company Investment Highlights

- **Patented Technology** – The Universal Smart Device patent provides an advantage in the IoT industry to build a new software network for devices to monitor and control data with hardware devices.

- **Innovative Product Development** – Universal sensor node, gateway system, smart connected devices to replaces up to 90% of traditional hardware. This increases the speed to market for IoT devices dramtically.

- **Market Opportunity** – The instrumentation market is significant and ripe for disruption with new technologies and the Internet of Things (IoT) industry is cutting-edge technology.

- **Organic and Acquisitive Growth Strategy** – Several other potential acquisitions are in the pipeline. Each opportunity has the potential to bring established revenues and brands to help create a vertical solution to the IoT industry.

Corporate Information

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Appendix A: Smart Home Advantage

- Large component racks

- Miles of Wiring

- Multiple machines needed

- Cost exceeds 100K

- Regular updates needed

- Zero redundancy

- Multiple Touch Pads

Crestron

USIP