



## **Datasea Reports Third Fiscal Quarter 2025 Revenue of \$10.4 Million Up 653.6% Year-over-Year**

*DTSS' AI-Powered Technology Serves as a Unifying Core Innovation for its  
5G Multimodal Digital Platform and Acoustic High-Tech Segment*

**BEIJING, May 15, 2025 /PRNewswire/** – Datasea Inc. (NASDAQ: DTSS) ("Datasea" or the "Company"), a Nevada-based technology company specializing in 5G+AI multimodal digital solutions and acoustic high-tech innovations, today announced its financial results for the third fiscal quarter ended March 31, 2025. The Company reported revenue of \$10.4 million, up 653.6% compared to \$1.38 million for the same period of fiscal 2024. For the first nine months of the year, the Company reported revenue of \$51.9 million, up 164.8% compared to revenue of \$19.6 million for the same period of fiscal year 2024.

Ms. Zhixin Liu, CEO of Datasea, commented, “We are pleased to have delivered robust year-over-year revenue growth. The period’s revenue was driven by the continued strong performance and market expansion of the Company’s 5G+AI multimodal digital segment in China, supported by its growing adoption across a spectrum of industries resulting in long-term customer contracts. In addition, the Company’s acoustic high-tech products gained traction through strategic retail placement and new product innovation. The strength of our 5G+AI multimodal data platform and the market adoption of our acoustic products reinforce our vision of redefining digital and physical experiences through innovation.”

### **Financial Highlights**

- **Revenue:** Revenue for the third fiscal quarter of 2025 was \$10.4 million, an increase of 653.6% compared to revenue of \$1.4 million for the third fiscal quarter of 2024. This increase was primarily driven by the growth of the Company’s 5G+AI multimodal digital business in China, primarily due to the continuous enhancement of its 5G multimodal digital products and services through the empowerment of AI technology.
- **Gross Profit:** Gross profit for the third fiscal quarter of 2025 was \$0.3 million and a gross margin was 2.9%. This marks an improvement from the same period in the prior year when the Company recorded gross profit of \$0.01 million and a gross margin of 0.7%.
- **Net Loss:** Net loss for the third fiscal quarter of 2025 was \$1.8 million, which marks a significant improvement from the same period in the prior year when the Company recorded a net loss of \$4.1 million.
- **Financial Condition:** The Company’s cash balance increased by 378.2% to \$0.9 million from fiscal year end 2024, and accounts receivable dropped by

93.2% to \$0.05 million, improving capital turnover. The Company's inventory was \$0.32 million, an increase of 166.7% from fiscal year end 2024, which reflects the increase in customer orders from the acoustic high-tech business. The net value of intangible assets rose 596.9% to \$3.8 million, underscoring the Company's growing innovation capacity and long-term competitiveness.

### **Business Segment Highlights - 5G+AI Multimodal Digital Segment**

Datasea continues to be a leader in China's 5G+AI digital service sector. Notable developments during the third quarter include:

- The generation of \$38.3 million in revenue from Qingdao Ruizhi Yixing between July 1, 2024 and March 31, 2025.
- Active contracts that include additional customers Shixun Network, Xiaoming Technology, Xinfanfa, and Jiajie Technology.
- Expansion into high-demand industry sectors including finance, healthcare, logistics and beauty.
- Technology platforms that are now able to provide SaaS-based services to over 52 million enterprises and 124 million individual business owners in China.

### **Business Segment Highlights - Acoustic High-Tech Segment**

Datasea's "Acoustic + AI" product ecosystem continued to gain momentum in the third quarter:

- The placement of acoustic products in 463 beauty and health stores in Northern China that demonstrate the growing market acceptance of Datasea's acoustic high-tech products and the success of its strategic plan to position these products in certain sectors including the beauty and body care industry.
- New consumer-facing products launched or in development include the "Tianer" Air Sterilizers and sleep-aid devices.

### **Business Outlook**

Datasea reaffirms its full fiscal year 2025 revenue guidance of approximately \$90 million, representing a 275% increase over fiscal year 2024. This growth is expected to be fueled by existing 5G+AI multimodal digital communications long-term contracts and a revenue ramp attributable to the extensive placement of its acoustic high-tech products.

The Company also intends to drive profitability by continuing to scale its high-margin acoustic high-tech products and offering technical services through the Company's

core AI platform. It also plans to accelerate international market entry of the acoustic high-tech segment into international market and expand its acoustic high-tech business through strategic partnerships and mergers & acquisitions.

### **About Datasea Inc.**

Datasea Inc. (“Datasea”) is a leading provider of products, services, and solutions for enterprise and retail customers in two innovative industries, acoustic high tech and 5G+AI multimodal digitalization. The Company’s advanced R&D technology serves as the core infrastructure and backbone for its products. Its 5G multimodal digital segment operates on a cloud platform based on AI. Datasea leverages cutting-edge technologies, precision manufacturing, and ultrasonic, infrasound and directional sound technology in its acoustics business to combat viruses and prevent human infections, and it is also developing applications in medical ultrasonic cosmetology. In July 2023, Datasea established a wholly-owned subsidiary, Datasea Acoustics LLC, in Delaware, in a strategic move to enter the U.S. markets and to mark its global expansion plan. For additional information, please visit [www.dataseainc.com](http://www.dataseainc.com).

### **Cautionary Note Regarding Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will", "expects", "anticipates", "future", "intends", "plans", "believes", "estimates", "target", "going forward", "outlook," “objective” and similar terms. Such statements are based upon management's current expectations and current market and operating conditions, and relate to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and which are beyond Datasea's control, which may cause Datasea's actual results, performance or achievements (including the RMB/USD value of its anticipated benefit to Datasea as described herein) to differ materially and in an adverse manner from anticipated results contained or implied in the forward-looking statements. Further information regarding these and other risks, uncertainties or factors is included in Datasea's filings with the SEC, which are available at [www.sec.gov](http://www.sec.gov). Datasea does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under law.

### **Investor and Media Contact:**

#### **Datasea Investor Relations**

Email: [investorrelations@shuhaixinxi.com](mailto:investorrelations@shuhaixinxi.com)  
[sunhezhi@shuhaixinxi.com](mailto:sunhezhi@shuhaixinxi.com)

**DATASEA INC.**  
**CONSOLIDATED BALANCE SHEETS**

	<b>MARCH 31,</b>	<b>JUNE 30,</b>
	<b>2025</b>	<b>2024</b>
	<b>(UNAUDITED)</b>	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 866,737	\$ 181,262
Accounts receivable	49,066	718,546
Inventory, net	316,135	153,583
Value-added tax prepayment	143,300	107,545
Prepaid expenses and other current assets	614,558	1,486,956
Total current assets	1,989,796	2,647,892
<b>NONCURRENT ASSETS</b>		
Property and equipment, net	36,620	48,466
Intangible assets, net	3,805,383	546,001
Right-of-use assets, net	322,574	49,345
Total noncurrent assets	4,164,577	643,812
<b>TOTAL ASSETS</b>	<b>\$ 6,154,373</b>	<b>\$ 3,291,704</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 392,559	\$ 1,075,641
Unearned revenue	140,213	49,239
Accrued expenses and other payables	476,644	596,714
Due to related parties	25,264	654,560
Operating lease liabilities	139,895	53,530
Bank loan payable	1,957,315	1,170,298
Total current liabilities	3,131,890	3,599,982
<b>NONCURRENT LIABILITIES</b>		
Operating lease liabilities	189,989	-
Total noncurrent liabilities	189,989	-
<b>TOTAL LIABILITIES</b>	<b>3,321,879</b>	<b>3,599,982</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		

STOCKHOLDERS' EQUITY (DEFICIT)

Common stock, \$0.001 par value, 25,000,000 shares authorized, 7,651,111 and 3,589,620 shares issued and outstanding as of March 31, 2025 and June 30, 2024 , respectively	7,651	3,589
Additional paid-in capital	47,018,873	38,957,780
Accumulated comprehensive income	137,323	242,208
Accumulated deficit	(44,321,587)	(39,440,322)
<b>TOTAL COMPANY STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>2,842,260</b>	<b>(236,745)</b>
Noncontrolling interest	(9,766)	(71,533)
<b>TOTAL STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>2,832,494</b>	<b>(308,278)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 6,154,373</b>	<b>\$ 3,291,704</b>

The accompanying notes are an integral part of these consolidated financial statements.

**DATASEA INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**(UNAUDITED)**

	<b>THREE MONTHS ENDED MARCH 31,</b>		<b>NINE MONTHS ENDED MARCH 31,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Revenues	\$10,353,977	\$ 1,383,001	\$51,891,475	\$19,612,213
Cost of revenues	10,056,187	1,373,130	50,979,252	19,425,372
Gross profit	297,790	9,871	912,223	186,841
Operating expenses				
Selling	185,354	970,443	1,589,072	2,204,834
General and administrative	1,534,383	3,075,941	3,836,519	4,392,457
Research and development	347,532	71,178	525,013	343,553
Total operating expenses	2,067,269	4,117,562	5,950,604	6,940,844
Loss from operations	(1,769,479)	(4,107,691)	(5,038,381)	(6,754,003)
Non-operating income (expenses)				
Other income (expenses), net	(13,629)	(34,351)	151,958	(88,402)
Interest income	16	217	4,946	1,946
Total non-operating income (expenses), net	(13,613)	(34,134)	156,904	(86,456)
Loss before income tax	(1,783,092)	(4,141,825)	(4,881,477)	(6,840,459)
Income tax	-	-	-	-
Loss before noncontrolling interest from continuing operations	(1,783,092)	(4,141,825)	(4,881,477)	(6,840,459)
Income before noncontrolling interest from discontinued operations	-	-	-	833,546
Less: loss attributable to noncontrolling interest	(94)	(105)	(212)	(10,098)

from continuing operations				
Less: loss attributable to noncontrolling interest				
from discontinued operations	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net loss attribute to noncontrolling interest	(94)	(105)	(212)	(10,098)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net loss to the Company from continuing operations	(1,782,998)	(4,141,720)	(4,881,265)	(6,830,361)
Net income to the Company from discontinued operations	-	-	-	833,546
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net loss to the Company	(1,782,998)	(4,141,720)	(4,881,265)	(5,996,815)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Other comprehensive item				
Foreign currency translation gain (loss) attributable to the Company	3,021	(15,969)	(104,885)	(142,584)
Foreign currency translation gain (loss) attributable to noncontrolling interest	(14)	(42)	60,588	66
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Comprehensive loss attributable to the Company	<u>\$ (1,779,977)</u>	<u><u>\$(4,157,689)</u></u>	<u><u>\$ (4,986,150)</u></u>	<u><u>\$ (6,139,399)</u></u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Comprehensive income (loss) attributable to noncontrolling interest	\$ (108)	\$ (147)	\$ 60,376	\$ (10,032)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Basic and diluted net loss per share	<u>\$ (0.24)</u>	<u><u>\$ (1.55)</u></u>	<u><u>\$ (0.79)</u></u>	<u><u>\$ (2.49)</u></u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Weighted average shares used for computing basic and diluted loss per share *	<u>7,432,997</u>	<u>2,666,438</u>	<u>6,217,993</u>	<u>2,413,014</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

\* retroactively reflect 1-for-15 reverse stock split effective on January 19, 2024

The accompanying notes are an integral part of these consolidated financial statements.

**DATASEA INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

**NINE MONTHS**  
**ENDED MARCH 31,**  

2025	2024
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**Cash flows from operating activities:**

Loss including noncontrolling interest	\$(4,881,477)	\$(6,006,913)
Adjustments to reconcile loss including noncontrolling interest to net cash used in operating activities:		
Gain on disposal of subsidiary	-	(833,546)
Bad debt reversal	(6,994)	-
Depreciation and amortization	774,710	412,333
Loss on disposal of fixed assets	4,503	589
Operating lease expense	102,252	137,703
Loan forgiveness by shareholder	21,261	-
Stock compensation expense	1,663,812	2,849,572
Changes in assets and liabilities:		
Accounts receivable	667,009	(16,190)
Inventory	(164,310)	61,298
Value-added tax prepayment	(36,673)	(42,318)
Prepaid expenses and other current assets	872,229	(1,575,526)
Accounts payable	(679,818)	(210,979)
Unearned revenue	91,695	(467,475)
Accrued expenses and other payables	(114,569)	(129,164)
Payment on operating lease liabilities	(99,086)	(133,736)
Net cash used in operating activities	(1,785,456)	(5,954,352)

**Cash flows from investing activities:**

Acquisition of property and equipment	(7,243)	(3,692)
Acquisition of intangible assets	(4,036,533)	(105,184)
Cash disposed due to disposal of subsidiary	-	(35)
Net cash used in investing activities	(4,043,776)	(108,911)

**Cash flows from financing activities:**

Proceeds from (repayment to) related parties	(184,283)	417,174
Proceeds from loan payables	839,229	-



Repayment of loan payables	(40,629)	(2,269,329)
Net proceeds from issuance of common stock	5,939,133	8,061,286
Net cash provided by financing activities	6,553,450	6,209,131
<b>Effect of exchange rate changes on cash</b>	<b>(38,743)</b>	<b>(113,067)</b>
<b>Net increase in cash</b>	<b>685,475</b>	<b>32,801</b>
<b>Cash, beginning of period</b>	<b>181,262</b>	<b>19,728</b>
<b>Cash, end of period</b>	<b>\$ 866,737</b>	<b>\$ 52,529</b>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid for interest	\$ 26,173	\$ 15,019
Cash paid for income tax	\$ -	\$ -
<b>Supplemental disclosures of non-cash financing activities:</b>		
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 356,566	\$ 125,138
Transfer of debt owing to the Company's CEO to Mr. Wanli Kuai	\$ -	\$ 729,338
Shares issued for paying officers' accrued salary and bonus	\$ 194,062	\$ 359,598
Loan forgiveness by shareholder	\$ 440,947	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

## IMPORTANT NOTICE TO USERS

The information provided is a summary only, please refer to the Form 10-Q for the full text of this notice. All information is unaudited unless otherwise noted or accompanied by an audit opinion and is subject to the more comprehensive information contained in our SEC reports and filings. We do not endorse third-party information. All information speaks as of the last fiscal quarter or year for which we have filed a Form 10-K or 10-Q, or for historical information the date or period expressly indicated in or with such information. We undertake no duty to update the information. Forward-looking statements are subject to risks and uncertainties described in our Forms 10-Q and 10-K.

