

## **Datasea Reports Record Fiscal Year 2025 Revenue of \$71.62 Million, Up 199% Year-over-Year**

*DTSS Achieves Fourth Quarter Net Income Breakeven Driven by  
Cutting-Edge Acoustics and AI Multimodal Digitalization;  
Ongoing Commercialization Updates in the Coming Weeks*

**BEIJING, September 26, 2025 /PRNewswire/** – Datasea Inc. (NASDAQ: DTSS) (“Datasea” or the “Company”), a Nevada-based high-tech enterprise engaged in acoustic high-tech products and services and AI multimodal digitalization, today announced its financial results for the fiscal year ended June 30, 2025.

The Company reported record revenue of \$71.62 million, an increase of 198.7% from \$23.97 million in fiscal year 2024. Gross profit reached \$2.44 million, up 415.5% from \$0.47 million year-over-year. In the fourth quarter of fiscal year 2025, the Company achieved net income breakeven as adjusted for non-cash depreciation and amortization.

### **Management Commentary**

Ms. Zhixin Liu, Chief Executive Officer of Datasea, stated, “Our operating and financial results for fiscal year 2025 represents a milestone in Datasea’s corporate growth. We nearly tripled our revenue due to the success of our dual-engine business segments of AI multimodal digitalization and acoustic high-tech. Further, in the fourth quarter, we achieved adjusted net income breakeven for the first time, signaling a transition from building scale to achieving profitability and sustainable growth.”

“On the business side, AI Multimodal Digitalization continues to expand through long-term customer contracts, while Acoustic + AI Solutions achieved significant progress, especially in delivering comprehensive solutions. These results reflect recognition from the marketplace as well as the resilience and viability of our innovation-driven business model. We believe that we have established a solid foundation for achieving long-term goals and maximizing shareholder value.”

### **Fiscal Year 2025 Financial Highlights**

- **Revenue:** \$71.62 million, an increase of 198.7% compared to \$23.97 million for fiscal year 2024, through innovative technology and cost advantages in AI multimodal digitalization, a stable client base, and scaled growth that minimizes costs and increases margins.
- **Gross Profit:** \$2.44 million, an increase of 415.5% compared to \$0.47 million in fiscal year 2024, with gross margin improvement primarily attributable to the delivery of highly effective margin solutions in our core businesses.
- **Net Income:** Breakeven in the fourth quarter of fiscal 2025, as adjusted for non-cash amortization and depreciation. Net loss for the year was \$5.09

million compared to \$15.7 in fiscal year 2024, a year-over-year decrease of 67.6%.

- **Intangible Assets:** \$3.50 million, an increase of 540.3% from \$0.55 million in the prior year, mainly due to significant growth in the value of core intellectual property, such as patents, which reflect the success of the Company's "asset-light, high-value" strategic transformation.

## **Business Highlights**

### **AI Multimodal Digitalization Segment**

- As one of the Company's core businesses, AI multimodal services delivered strong growth in fiscal year 2025 with revenue increasing by 199.49% year-over-year to \$70.68 million, contributing significantly to overall performance.
- Powered by its proprietary AI platform, the Company provided standardized platform offerings and customized solutions for clients across numerous industries.
- Newly developed high-margin customized solutions including SME services, digital rural platforms, and new media marketing systems, were commercialized at scale, contributing revenue of approximately RMB 8.9 million (US\$ 1.24 million) and emerged as a new driver of growth.
- The number of core clients increased from eight to 15 large enterprises with several clients contributing over \$10 million in annual revenue.

### **Acoustic High-Tech Segment**

- Positioned 'Acoustics + AI + Application Scenarios' with AI embedded acoustic technologies serving as a technical base for an array of products and services spanning multiple industry sectors.
- Continuous technological breakthroughs and scenario implementations advanced the Company's R&D in 'Acoustics + Neuro-Regulation,' with progress achieved in brain-computer interfaces, cardiac signal intervention, and foot acupoint stimulation.
- The Company recorded revenue of RMB 3.7 million (US\$ 0.5 million) from comprehensive acoustic solutions, marking a strategic shift from single hardware sales to high-margin solution products and services.
- Beyond traditional enterprises and retail clients, the Company expanded its base and deployed its acoustic products into 463 beauty and health stores, evolving beyond its B2C focus and building a robust B2B sales network.

## **Business Outlook**

Looking ahead to fiscal year 2026 and beyond, Datasea will continue to advance its dual growth engines of AI Multimodal Digitalization + Acoustic High-Tech to drive diversified high-tech growth:

**1. The Deepening of the AI Multimodal Platform**

As a pioneer in China's AI multimodal digital field, Datasea will continue to upgrade its proprietary AI multimodal platform, focusing on delivering more high-margin solutions in SME digitalization and new media marketing, and expanding recurring revenue from 'SaaS Subscriptions + Customized Solutions'.

**2. Acoustic Empowerment in Healthcare**

In acoustics, the Company will accelerate R&D in 'acoustics + neuro-regulation', advancing applications in brain-computer interfaces, neural signal intervention, and foot stimulation. Combined with its retail presence in over 500 beauty and health stores across China, Datasea aims to build a closed-loop system of 'Detection – Analysis – Diagnosis – Intervention' for non-pharmacological health management. The Company has also entered the health intelligent wearables market, further extending the depth and diversity of acoustic applications in healthcare.

**3. M&A Strategy**

In China, Datasea will seek to promote acoustic product penetration into the healthcare, medical beauty, agriculture, and industrial fields, and accelerate its capabilities and market channels through acquisitions. In the United States, through its wholly owned subsidiary, Datasea Acoustics LLC, the Company is planned in promoting the distribution of acoustic products and patent deployment, and is working with US partners to expand local channels. Internationally, the Company will advance patent collaboration and technology acquisitions with partners in North America, creating dual barriers of global patent protection and market penetration.

**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.

## FINANCIAL TABLES TO FOLLOW

### DATASEA INC. CONSOLIDATED BALANCE SHEETS

	<u>June 30,</u> <u>2025</u>	<u>June 30,</u> <u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 620,807	\$ 181,262
Accounts receivable	1,374,180	718,546
Inventory, net	206,610	153,583
Value-added tax prepayment	137,025	107,545
Prepaid expenses and other current assets	583,650	1,486,956
Total current assets	2,922,272	2,647,892
<b>NONCURRENT ASSETS</b>		
Property and equipment, net	25,560	48,466
Intangible assets, net	3,495,984	546,001
Right-of-use assets, net	292,065	49,345
Total noncurrent assets	3,813,609	643,812
<b>TOTAL ASSETS</b>	<b>\$ 6,735,881</b>	<b>\$ 3,291,704</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY****CURRENT LIABILITIES**

Accounts payable	\$ 420,038	\$ 1,075,641
Unearned revenue	150,088	49,239
Accrued expenses and other payables	547,706	596,714
Due to related parties	6,126	654,560
Operating lease liabilities	128,525	53,530
Bank loan payable	2,374,767	1,170,298
Total current liabilities	3,627,250	3,599,982

**NONCURRENT LIABILITIES**

Operating lease liabilities	166,436	-
Total noncurrent liabilities	166,436	-

<b>TOTAL LIABILITIES</b>	<b>3,793,686</b>	<b>3,599,982</b>
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**COMMITMENTS AND CONTINGENCIES****STOCKHOLDERS' EQUITY (DEFICIT)**

Common stock, \$0.001 par value, 25,000,000 shares authorized, 8,128,127 and 3,589,620 shares issued and outstanding as of June 30, 2025 and 2024 , respectively	8,128	3,589
Additional paid-in capital	47,331,510	38,957,780
Accumulated comprehensive income	138,586	242,208
Accumulated deficit	(44,526,016)	(39,440,322)
<b>TOTAL COMPANY STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>2,952,208</b>	<b>(236,745)</b>
Noncontrolling interest	(10,013)	(71,533)
<b>TOTAL STOCKHOLDERS' EQUITY (DEFICIT)</b>	<b>2,942,195</b>	<b>(308,278)</b>

**TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY  
(DEFICIT)**

**\$ 6,735,881    \$ 3,291,704**

The accompanying notes in the Company's 10-K as filed with the SEC are an integral part of these consolidated financial statements.

**DATASEA INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

	<b>YEARS ENDED</b>	
	<b>JUNE 30,</b>	
	<b>2025</b>	<b>2024</b>
Revenues	\$71,616,820	\$ 23,975,867
Cost of revenues	69,172,872	23,501,762
Gross profit	2,443,948	474,105
Operating expenses		
Selling	1,980,224	3,279,627
General and administrative	4,703,443	8,960,523
Research and development	914,996	359,342
Total operating expenses	7,598,663	12,599,492
Loss from operations	(5,154,715)	(12,125,387)
Non-operating income (expenses)		
Other income (expenses), net	70,169	(97,893)
Interest income	5,016	1,975
Total non-operating income (expenses), net	75,185	(95,918)
Loss before income tax	(5,079,530)	(12,221,305)
Income tax	6,596	-
Loss before noncontrolling interest from continuing operations	(5,086,126)	(12,221,305)
Income before noncontrolling interest from discontinued operations	-	833,546
Less: loss attributable to noncontrolling interest from continuing operations	(432)	(10,695)
Less: loss attributable to noncontrolling interest from discontinued operations	-	-
Net loss attribute to noncontrolling interest	(432)	(10,695)
Net loss to the Company from continuing operations	(5,085,694)	(12,210,610)

Net income to the Company from discontinued operations	-	833,546
Net loss to the Company	(5,085,694)	(11,377,064)
Other comprehensive item		
Foreign currency translation gain (loss) attributable to the Company	(103,622)	(151,044)
Foreign currency translation gain attributable to noncontrolling interest	60,588	10
Comprehensive loss attributable to the Company	<u>\$ (5,189,316)</u>	<u>\$ (11,528,108)</u>
Comprehensive income attributable to noncontrolling interest	<u>\$ 60,156</u>	<u>\$ (10,685)</u>
Basic and diluted net loss per share	<u>\$ (0.77)</u>	<u>\$ (4.38)</u>
Weighted average shares used for computing basic and diluted loss per share *	<u>6,610,842</u>	<u>2,597,077</u>

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

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**DATASEA INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>YEARS ENDED</b>	
	<b>JUNE 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Loss including noncontrolling interest	\$(5,086,126)	\$(11,387,759)
Adjustments to reconcile loss including noncontrolling interest to net cash used in operating activities:		
Gain on disposal of subsidiary	-	(833,546)
Bad debt expense	18,855	-
Inventory impairment	99,478	-
Depreciation and amortization	1,139,264	494,480
Loss on disposal of fixed assets	17,196	2,979
Operating lease expense	136,506	167,969
Investment loss		56,081
Loan forgiveness by shareholder	105,356	-
Stock compensation expense	1,892,842	6,749,326
Changes in assets and liabilities:		
Accounts receivable	(658,711)	(717,220)
Inventory	(153,179)	91,076
Value-added tax prepayment	(29,953)	(51,078)
Prepaid expenses and other current assets	877,711	(810,421)
Accounts payable	(651,887)	597,744
Unearned revenue	101,051	(472,584)
Accrued expenses and other payables	(45,306)	(108,736)
Payment on operating lease liabilities	(137,777)	(177,194)
Net cash used in operating activities	(2,374,680)	(6,398,883)
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	(8,129)	(6,868)
Acquisition of intangible assets	(4,077,068)	(161,054)
Cash disposed due to disposal of subsidiary	-	(35)
Net cash used in investing activities	(4,085,197)	(167,957)
<b>Cash flows from financing activities:</b>		



Proceeds from (repayment to) related parties	(203,218)	360,804
Proceeds from loan payables	2,374,350	-
Repayment of loan payables	(1,164,895)	(1,582,513)
Net proceeds from issuance of common stock	5,939,133	8,061,286
Net cash provided by financing activities	6,945,370	6,839,577
<b>Effect of exchange rate changes on cash</b>	<b>(45,948)</b>	<b>(111,203)</b>
<b>Net increase in cash</b>	<b>439,545</b>	<b>161,534</b>

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