

Database Pre-Announces Fiscal Year 2026 Second Quarter Results

Gross Profit Increased 278% Year-over-Year with Significant Improvement in Gross Margin

BEIJING, January 21, 2026 /PRNewswire/ – Database Inc. (NASDAQ: DTSS) (“Database” or the “Company”), a Nevada-based technology company specializing in acoustic high-tech solutions and 5G+AI multimodal digitalization, today pre-announced its unaudited financial results for the second quarter of fiscal year 2026, ended December 31, 2025.

The financial highlights below are presented on a six-month basis for the period ended December 31, 2025.

Fiscal Year 2026 Second Quarter Financial Highlights

(Unaudited, Six Months Ended December 31, 2025)

- **Revenue** for the six months ended December 31, 2025 is expected to be approximately **\$26.68 million**.
- **Gross profit** is expected to be approximately **\$2.32 million**, representing an increase of approximately **278% year-over-year** compared to the same period of fiscal year 2025.
- **Gross margin** is expected to be approximately **8.70%**, a significant improvement from **1.48%** in the prior-year period.

Strategic and Operational Review

The Company’s performance during the first six months of fiscal year 2026 reflects the continued execution of its strategic transition toward **profitability optimization and technology-driven value creation**, moving away from a growth model primarily focused on revenue scale.

During the period, the Company achieved a substantial improvement in gross profit and gross margin through the following initiatives:

- A deliberate reduction of standardized, low-margin 5G AI communication services;
- An increased contribution from high-margin **5G+AI customized solutions**;
- Continued advancement and application of the Company’s acoustic high-tech products and integrated solutions; and
- Ongoing enhancement of cost controls and operational efficiency.

Management Commentary

Ms. **Zhixin Liu**, Chief Executive Officer of Database, commented:

“The six-month period ended December 31, 2025 represents an important milestone in the Company’s strategic transformation. While we intentionally moderated the pace of revenue expansion, our gross profit increased by 278% year-over-year and gross margin expanded to 8.7%, underscoring the effectiveness of our shift toward high-value, technology-driven businesses.

We believe that the significant improvement in profit quality helps support the Company’s long-term sustainable development strategy. In line with this objective, we continue to deepen the application of high-margin 5G+AI multimodal digital solutions and increase the contribution of technology-oriented, solution-based offerings within our overall business mix.

At the same time, building on our recent phased progress in core acoustic technologies, we are steadily advancing the application exploration of our acoustic high-tech innovations in health management and intelligent device scenarios. This includes product validation and solution deployment efforts focused on non-invasive acoustic modulation, acoustic neuromodulation, and related health robot solutions across healthcare, wellness, and professional application environments, laying the groundwork for future business expansion and value realization.”

About Database Inc.

Database Inc. (“Database”) 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. Database 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, Database established a wholly-owned subsidiary, Database 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.databaseinc.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 Databasea's control, which may cause Databasea's actual results, performance or achievements (including the RMB/USD value of its anticipated benefit to Databasea 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 Databasea's filings with the SEC, which are available at www.sec.gov. Databasea 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.

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