

ASX Announcement  
30 January 2025

## 31 December 2024 Quarter Activities Report

Unith Ltd (ASX: UNT | FWB: CM3) (“ÜNITH” or the “Company”) provides its quarterly activities report and Appendix 4C for the three months ended 31 December 2024 (Q2 FY25).

### Q2 FY25 Highlights:

- Cash receipts for Q2 December 2024 of \$1.225 million.
- B2C Subscription Division December 2024 quarterly revenue reached A\$1.15 million - the highest quarterly total in two years - and 700,000 active subscribers.
- Renewal of existing contract with B2B enterprise client Alliance for Public Health as ÜNITH looks to expand its interFace services into new geographies.
- ÜNITH divested a partial stake in AudioStack for circa US\$500k (A\$800k), strengthening its cash position to facilitate investment in further growth and development initiatives. From a commercial perspective, ÜNITH remains committed to the AudioStack technology and has renewed its partnership to use AudioStack AI audio technology in the ÜNITH Digital Human platform for 24 months.
- Cash on hand as of 31 December 2024 of A\$1.68 million – excludes \$0.4 million from the partial sale of AudioStack which was received in early January 2025.

### Digital Human Technology Division

#### Operational Update

#### Go-to-Market

ÜNITH continued to make significant progress in lead generation by securing more than 500 leads from targeted campaigns across key social media platforms, and by conducting over 140 product demonstrations designed to drive substantial volumes of new customer acquisitions. This success has helped refine target audiences, optimise messaging, and streamline processes.

To address sales team capacity challenges, ÜNITH is actively developing a Digital Human to assist with lead qualification. This initiative will enhance efficiency and enable the team to scale outreach efforts.



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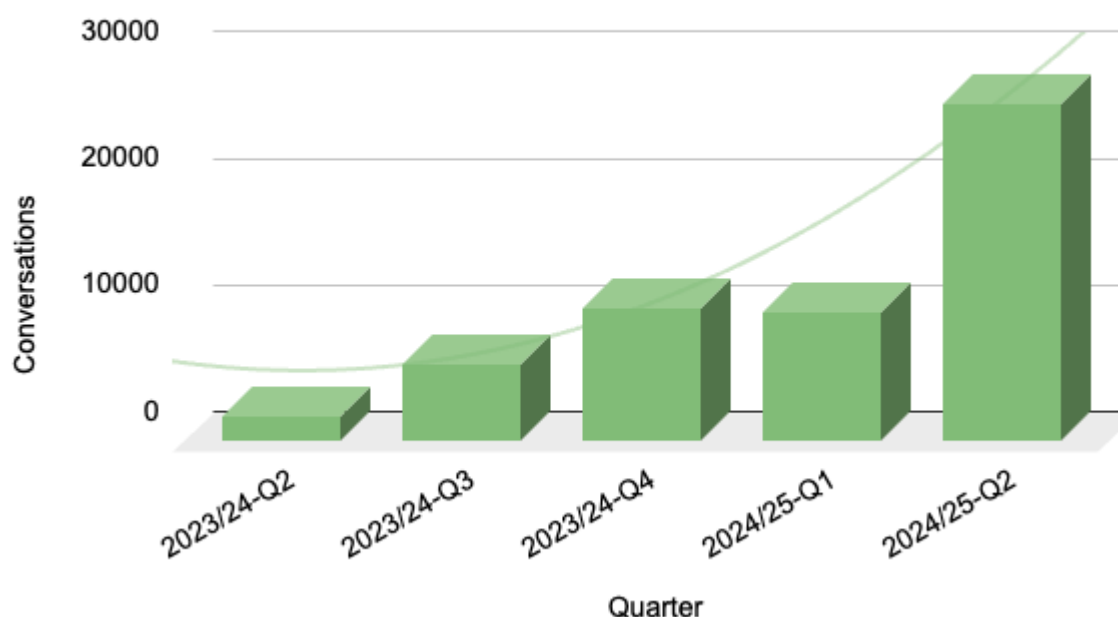
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### Platform Growth – interFace

ÜNITH’s self-service digital human platform, interFace, gained traction during the quarter across diverse sectors including technology, education, telecommunications, and marketing. Key performance highlights include:

- More than 400 registered users.
- A 1,600% increase in facilitated conversations to Q2 FY25.

These results emphasise the platform’s versatility and broad appeal.



### Infrastructure 2.0 Launch

ÜNITH successfully deployed its ‘Infrastructure 2.0’ initiative, delivering significant technological advancements:

- **Scalability:** Dynamic instance scaling enables infrastructure flexibility to meet demand.
- **Fault Tolerance:** Automated health checks and 24/7 recovery systems ensure minimal disruptions.
- **Near-Zero Downtime:** Improved deployment strategies and auto-recovery mechanisms minimise service interruptions.
- **Enhanced Security:** A Bastion host architecture has been deployed, providing a secure, controlled, and auditable way to access private network resources, ensuring that private instances remain shielded from direct public exposure.
- **Developer Efficiency:** Streamlined pipelines enable efficient build and tracking processes.
- **Improved Performance:** AWS load balancers, CDN integration, and optimised networking enhance system reliability and scalability.



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These enhancements have established a robust foundation for delivering scalable, reliable, and secure services to customers.

There are now more than 2,300 live digital humans including a large portion of UNITH Digital Humans which have been monetised, directly impacting top line revenue via the subscription division.

### Research & Development Milestone

In Q2 FY25, UNITH achieved ‘Research and Development’ validation from the Spanish Government, leading to a net return of more than A\$0.270 million for the 2023 Spanish Fiscal Year through monetised tax deductions. This milestone underscores the innovative and disruptive nature of UNITH’s solutions, with sustained and potentially increasing returns expected in the coming years. The funds are expected within the next year.

### **Key Accounts: Alliance for Public Health (APH)**

UNITH continued its partnership with the Alliance for Public Health (APH) to support **TWIIN**, an innovative digital assistant transforming healthcare delivery in crisis settings. APH’s annual review highlighted TWIIN’s achievements:

- Over **38,000 visits facilitated** since its launch in September 2024.
- Global recognition at **AIDS 2024**, the largest global conference on HIV and AIDS.
- Praised as a groundbreaking initiative for sustaining healthcare during crises.

**Future Plans with APH:** APH’s one-year contract extension through 2025 includes a transition to a self-service model with customer success support:

- Monthly license-only services valued between US\$1,500–US\$2,000 (A\$2,400–A\$3,200).
- Expansion into Moldova and Georgia, incorporating Russian, Romanian, and Georgian languages.
- Continued development of TWIIN’s conversational capabilities and service redirection.

Commenting on the contract renewal, APH’s Project Manager Maria Malakhova said:

*“APH is excited to continue working with UNITH in their mission to provide innovative social support to at-risk populations, particularly those impacted by HIV. Throughout 2025, APH will continue to leverage TWIINs Digital Assistant solution to deliver accessible, localised, and personalised care in Ukraine. By utilising UNITH’s self-service capabilities with interFace, APH plans to expand the solution into Moldova and Georgia, incorporating Russian, Romanian, and Georgian languages.”*

UNITH remains fully committed to enhancing and supporting these efforts.

Commenting on the Digital Human performance during the December 2024 quarter, the division’s General Manager Rakan Sleiman said:

*“UNITH’s performance this quarter demonstrates a clear appetite for Conversational Digital Humans, validating the scalability and relevance of the technology we have built.*



*It is exciting to see how businesses (including our own) are leveraging Digital Humans in innovative ways to engage their audiences. In addition, achieving R&D certification from the Spanish Government is a testament to the ingenuity of our team and the disruptive nature of our solutions.*

*Looking ahead, we are particularly excited about the potential of agentic Digital Humans to address specific challenges across industries, from healthcare to education, and beyond. This next phase of development will unlock even greater possibilities for businesses and their customers, positioning UNITH at the forefront of problem-solving with cutting-edge AI solutions.”*

## **B2C subscription division**

The December quarter marked a significant milestone for UNITH’s B2C division, with quarterly unaudited revenue of A\$1.15 million representing the highest quarterly revenue in the last two years. 55% of the quarterly revenue is derived from the AI Apps that Unith have developed (BedtimeStories, Astro-VIP, AI Tour guide, Ai History and Article +.)

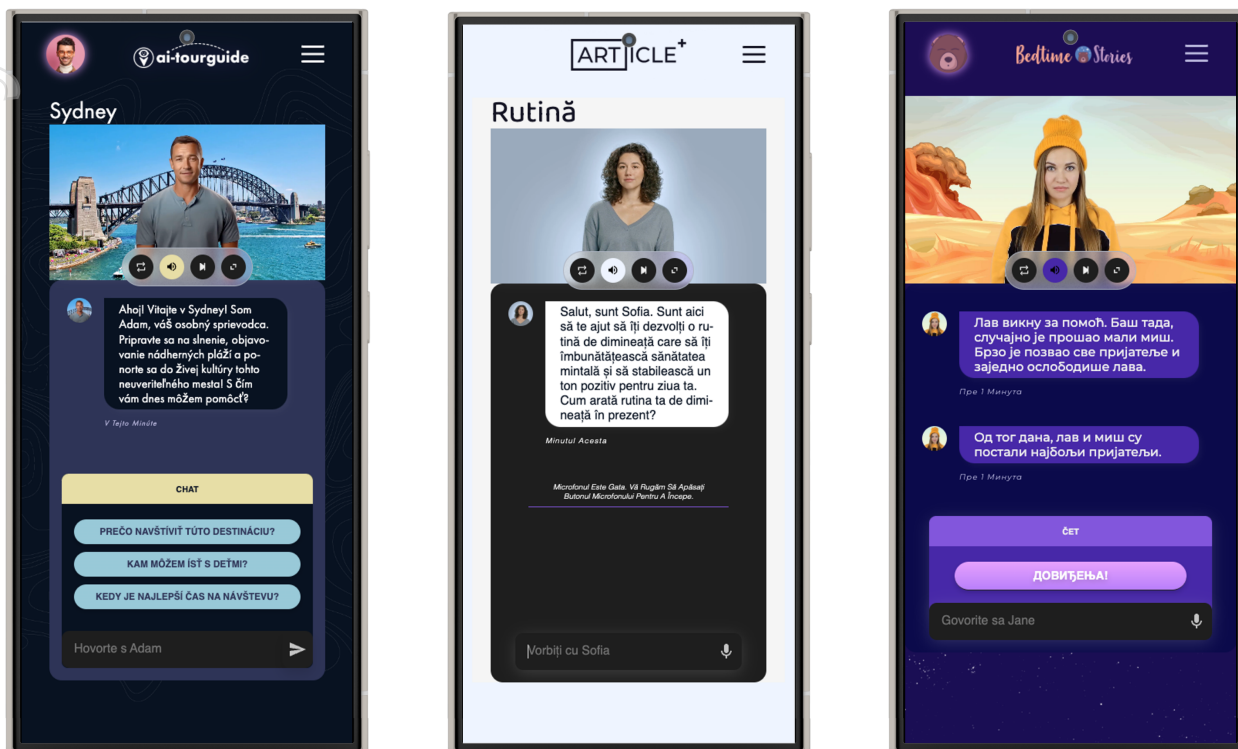
The first half-year of FY 2025 saw revenue reach A\$2.149 million. This achievement highlights the strength of our growing subscriber base, which has now surpassed 700,000 active users across the APAC, MENA, and EU regions.

The Company’s footprint in Europe has strengthened with the recent launch of localised apps tailored to domestic markets. The *BedtimeStories* app debuted in Serbia, the *AI Travel* app launched in Slovakia, and the *Article+* app expanded into Romania, signalling our commitment to the needs and preferences in regional markets. When combined, these three markets have more than 20 million addressable users and represent a significant opportunity for future growth.



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**Figure 1.** Localised B2C apps launched in Slovakia, Romania, and Serbia



Our successful entry into new markets expanded our geographic footprint to 36 countries and helped to drive volume in active subscribers.

Adoption in these new markets contributed significantly to revenue growth. Advanced personalisation features powered by AI facilitated higher user engagement and premium conversions, while enhanced localisation capabilities have ensured superior user experiences across diverse regions.

To manage the growing demand and rising user base, we invested over A\$50,000 in upgrading our server infrastructure to ensure the business can support its expanding user base seamlessly.

Commenting on the B2C Subscription division performance during the December quarter, the division's General Manager Ivan Dumancic said: *"This quarter's performance is a reflection of our focus on delivering value to our users. The growth in active subscribers and revenue underscores the market's increasing demand for our digital human technology."*

*We expect to see continued momentum over the next six months as we launch new features, expand into additional markets, and further refine our user experience. To ensure we can meet the growing demands of our expanding user base, we are prioritising investments in our server infrastructure and overall scalability. These strategic initiatives and improved Digital Human platform performance and modularity that enables us to leverage new technologies such as DeepSeek, will position us to sustain long-term growth and enhance our competitive edge."*



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## Partial divestment in AudioStack to bolster cash position

UNITH divested a portion of its investment in AudioStack for approximately US\$500k (A\$800k). Following this initial transaction, the Company will retain a remaining investment in AudioStack valued at about US\$1.54m (\$A2.49m).

UNITH remains closely aligned with AudioStack and its team, continuing its partnership with AudioStack as an AI service provider of audio technology used within the Digital Human platform and its voice library.

### Q2 FY25 Financial Update\*

- Cash receipts for Q2 December 2024 of \$1.225 million.
- Cash balance of A\$2.1m in January 2025, including funds from partial sale of AudioStack (compared with cash on hand as of 31 December 2024 of A\$1.68 million).
- Net cash for investing activities of (A\$0.04 million), consisting of investment in intellectual property made up of Software Development (A\$0.44 million) and the receipt of the first tranche of \$0.4 million from the partial sale of AudioStack shares.
- Net cash from financing activities of (\$0.71 million), used for the repayment of lease liabilities.
- Estimated 2.4 quarters of funding available, as calculated in the Appendix 4C. Included in the operating cash flows was a termination cash payment to former CEO of A\$93k.

### Related Party Payments

Section 6 of Appendix 4C released today discloses payments to related parties of A\$106,200, reflecting fees paid to Directors and for provisions for Company Secretary services during the quarter.

### Corporate

The Company held its AGM on 28<sup>th</sup> November 2024. All resolutions were passed by a poll. Refer to the announcement titled '*Results of Annual General Meeting*', released on the ASX on 28 November 2024.

*\* All FY25 financial data is unaudited unless stated otherwise.*

UNITH invites investors to join its mailing list for updates by subscribing at: [www.unith.ai/subscribe](http://www.unith.ai/subscribe)

This announcement has been authorised for release by the Board of Directors.

(ENDS)



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**About UNITH**

**Unith Ltd (UNITH)** is a leading digital human software developer. It unifies the research and development of facial movement deep learning, audio, machine learning and conversational design to generate the first customisable, interactive avatar of its kind.

Businesses can create their digital humans to immerse, assist, and educate customers in real-time and in multiple languages, all through one full-stack platform.

For further information, please visit: [UNITH.ai](https://unith.ai)

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Unith Ltd

**ABN**

13 083 160 909

**Quarter ended ("current quarter")**

31 December 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,225	2,410
1.2 Payments for		
(a) research and development	(174)	(503)
(b) product manufacturing and operating costs	(311)	(643)
(c) advertising and marketing *	(496)	(944)
(d) leased assets		
(e) staff costs	(651)	(1,253)
(f) administration and corporate costs	(295)	(614)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(7)	(17)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(709)</b>	<b>(1,565)</b>
*includes in-house user acquisition costs tied to restructuring the B2C subscription division.		
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property	(441)	(771)
(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments	399	399
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(42)</b>	<b>(372)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	27
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(71)	(158)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(71)</b>	<b>(131)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,525	3,806
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(709)	(1,565)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(42)	(372)

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(71)	(131)
4.5	Effect of movement in exchange rates on cash held	(22)	(57)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,681</b>	<b>1,681</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,681	2,525
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,681</b>	<b>2,525</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	106
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	0	0
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>	0	0
7.5 <b>Unused financing facilities available at quarter end</b>		0
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(709)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,681
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	2,525
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.4
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2025

Authorised by the Board of Directors

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.