

ÜNITH reaches key platform development and commercialisation milestones in FY23

ÜNITH Ltd (ASX: UNT | FWB: CM3) (“ÜNITH” or the “Company”) is pleased to provide its full year results for the 12 months ending 30 June 2023 (“FY23”), demonstrating major progress in developing and commercialising its Digital Human platform as a scalable solution to solve business problems by engaging digital humans.

FY23 Highlights

- Rebranding to ÜNITH complete, reflecting the Company’s strategic vision to excel in the artificial intelligence space and be a leader in conversational AI
- First Digital Human for Big-5 Tech client deployed; development underway to expand license activities to new division
- Contract wins within healthcare, gaming and insurance verticals demonstrate the wide variety of use cases for ÜNITH’s digital humans
- GPT technology successfully integrated into the Digital Human platform
- Mobile Subscription division surpassed 100,000 users in June 2023; B2B conversational AI products now active in 36 countries and spanning 8 languages
- Three new conversational AI products launched within Mobile Subscription division
- Transition of customer acquisition in-house expected to secure more Subscription customers in FY24 and improve margins
- Delivered \$4.0 million in revenue (FY22: \$5.3 million)
- 109% YoY improvement in EBITDA to \$0.2 million (FY22: (\$2.4 million))
- \$4.2 million cash on hand at 30 June 2023 with no debt

Commenting on the FY23 performance, ÜNITH’s CEO Idan Schmorak said:

“FY23 was a breakout year for ÜNITH, advancing our Digital Human platform from the design phase to a commercialised product which now generates revenue from a range of industries, spanning technology, entertainment, healthcare, gaming, education and more. Strong interest has been generated in both the private and public sectors where ÜNITH has been able to capitalise on rising interest in artificial intelligence globally, and its ability to perform common business functions with greater reliability and accuracy than traditional labour, often at lower expenses.

We have expanded our development team and achieved milestones in the 2023 Technology Roadmap ahead of schedule, positioning ÜNITH to launch a self-service product that will further accelerate commercialisation. Progress continues to be made with our Big-5 Tech client with their first digital human



ÜNITH

already deployed, and we continue to work closely with them with the aim of launching more digital humans in FY24.

Advancing the Digital Human platform over the past 12 months, we have gained valuable insights into the use cases where businesses can best improve their own bottom lines through the use of AI and digital humans that work 24/7 and can engage in multiple conversations at once. These valuable insights continue to assist our commercial team in targeting new clients which include the three signed in the first two months of FY24.”

FY23 Financial Update

ÜNITH delivered \$4.0 million (FY22: \$5.3 million) in revenue for FY23, impacted by a challenging operating environment for the Mobile Subscription division which created headwinds around customer acquisition and billing in certain regions. These challenges are being addressed by ÜNITH with a strategy that commenced in the second half of FY23 to transition customer acquisition in-house. The Digital Human division delivered \$0.6 million in revenue in FY23, which is expected to grow significantly in FY24 with contracts recently delivered, and with further sales.

EBITDA profit of \$0.2 million was a 109% improvement on FY22 (loss of (\$2.4 million)) as ÜNITH continued to invest in its Digital Human platform which is being developed as a scalable solution designed to generate greater margins as more clients are onboarded onto the self-service platform. Net loss after tax was (\$0.7 million), an improvement of 77% on FY22 (loss of (\$3.2 million)). EBITDA and net loss include non-cash fair value gains on investments of \$2.8 million, non-cash impairment expenses of \$0.1 million, non-cash share-based payment charges of \$0.2 million and restructuring costs of \$0.2 million. When adjusting only for these effects, the Underlying EBITDA for the financial year is a loss of (\$2.1 million) (FY22: loss of (\$0.05 million)). The increased Underlying EBITDA loss compared to prior year is mainly due to a decline in revenue for the Mobile Subscription division, together with increased costs associated with the restructure of the division to transition customer acquisition in-house, which is expected to improve profitability in FY24, and increased costs for research and development of the Digital Human technology.

In February 2023, ÜNITH raised \$4.8 million via a successful institutional Placement and Share Purchase Plan. The funds raised have allowed the Company to fast-track its platform development and strengthen its sales team with additional headcount.

At 30 June 2023, ÜNITH had \$4.3 million cash on hand and \$9.3 million in net assets.

Digital Human Division Update

ÜNITH made substantial progress with its Digital Human platform during FY23, advancing from tech development phase to commercialisation. ÜNITH achieved several major development milestones, including upgrades to digital humans’ facial features, integration of GPT technology to enable open



Unith Ltd
ACN 083 160 909
unith.ai

Perth
202/37 Barrack St
Perth WA 6000,
Australia

Amsterdam
Piet Heinkade 95B
1019GM Amsterdam
Netherlands

Barcelona
C. de Pere IV, 128,
08005 Barcelona
Cataluña, Spain

ÜNITH

conversations, and the completion of AIKO - Artificial Intelligence Knowledge Operation - a scalable module in the UNITH tech stack that will enable self-service users to generate their own digital humans.

UNITH entered into several commercial agreements in FY23 and in the first two months of FY24. The most notable contract with a Big-5 Tech company involves the digital humans to support their staff onboarding in Europe. With their first digital human already delivered and another two in development, UNITH is now looking to expand to other departments within the Big-5 organisation. An agreement with NVISO Japan KK, a leading provider of AI-enabled visual intelligence solutions, provides scale implementation of UNITH's digital humans in various markets, with the first deployment through digital kiosks in Japan expected in Q1 FY24. More recently, the Company won contracts from an e-lottery operator Xite Holdings/AZBillions, a leading international foundation Alliance for Public Health and start-up insurance company Ensureing, further expanding the range of verticals UNITH operates in.

UNITH remains on track for the launch of the Digital Human self-service platform by December 2023, where users will be able to subscribe to the platform and generate their own digital humans. The digital humans will then be customisable with the ability to train them based on user-uploaded documentation such as a product catalogue, FAQs or employee handbook. The self-service platform will act as a gateway for UNITH to acquire more clients with the aim of upgrading subscribers to commercial licences.

Mobile Subscription Division Update

The Mobile Subscription division launched three conversational AI products in FY23 - Bedtime Stories, Astrology VIP and History AI. All three products utilise UNITH's digital human technology to deliver entertainment and educational content to its users who can subscribe to each product for a weekly or monthly subscription fee. All products are distributed through agreements with international mobile network operators under revenue-share arrangements. The products are now available in eight languages across 36 countries.

UNITH is in the process of restructuring the Mobile Subscription division to bring customer acquisition operations in-house, in lieu of engaging third parties. Higher cash expenses associated with this restructure were recorded in Q4 FY23.

In June 2023, the Mobile Subscription division reached a milestone with acquiring 100,000 users to new AI-Powered services worldwide. By bringing customer acquisition in-house, UNITH expects further customer growth and improved profitability in FY24 and beyond.

Outlook

Commenting on the year ahead, Idan Schmorak said: *"It's been a successful start to FY24 for UNITH. We have already signed new contracts with APH, AZBillions and Ensureing, and we have a strong sales pipeline of other commercial opportunities. Having released our demo digital humans – AIKO, LAIA and*



Unith Ltd
ACN 083 160 909
unith.ai

Perth
202/37 Barrack St
Perth WA 6000,
Australia

Amsterdam
Piet Heinkade 95B
1019GM Amsterdam
Netherlands

Barcelona
C. de Pere IV, 128,
08005 Barcelona
Cataluña, Spain

ÜNITH

Julia – for public engagement earlier in August, the key focus for our development team now is delivering to our clients, and expanding commercialisation with the self-service platform by the end of CY23.

This year is set to be an exciting one for UNITH and I look forward to providing you updates as we progress towards a broader rollout of our platform.“

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

(ENDS)

For further Information:

Eric Kuret

Automic Markets

P: +61 417 311 335

E: eric.kuret@automicgroup.com.au

About UNITH

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 customizable, interactive avatar of its kind.

Businesses can create their own 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



Unith Ltd
ACN 083 160 909
unith.ai

Perth
202/37 Barrack St
Perth WA 6000,
Australia

Amsterdam
Piet Heinkade 95B
1019GM Amsterdam
Netherlands

Barcelona
C. de Pere IV, 128,
08005 Barcelona
Cataluña, Spain

For personal use only