

ASX Announcement  
28 February 2024

## UNITH digital humans capitalising on rising interest in conversational AI

### FY24 First Half-Year Results

Unith Ltd (ASX: UNT | UNTO | FWB: CM3) (“UNITH” or the “Company”) is pleased to provide its half-year report for the period ended 31 December 2023 (“H1 FY24”).

#### H1 FY24 Highlights:

- Realised revenue of \$2.7 million for the half-year, an increase of 18% on the prior period.
- Fair value gain of \$2.0 million recorded on the investment in AudioStack (formerly Aflorithmic).
- \$1.4 million cash on hand at 31 December 2023 and net assets of \$9.4 million.
- 2023 Technology Roadmap achieved with completion of well-rounded platform that integrates all backend conversational AI, video and audio modules together.
- Digital humans can now possess customisable personalities and characteristics in open conversation mode, utilising data and insights from OpenAI to enhance interaction quality.
- Digital Human self-service offering soft-launched to a select group of users and clients.
- Successful delivery of digital humans for clients in the social services, insurance and gaming industries, utilising AI for 24/7 accessibility, increased user engagement and multiple languages.
- More than 800K total customer sign-ups on B2C AI-subscription products.
- Increased commercial activity flagged with demonstrations at global AI conferences in H2 FY24.
- Wordpress and Shopify plugins for the Digital Human platform undergoing testing.

**Commenting on the half-year, UNITH’s CEO Idan Schmorak said:** *“Achieving the 2023 Technology Roadmap was a critical accomplishment for the UNITH development team which has provided our commercial team with an incredible product to sell as a self-service offering. Feedback from clients that had previously expressed interest in our digital humans as an AI solution for their business has been excellent so far and their digital humans are generating valuable analytics that encourage full scale licences.*

*Sales revenue of \$2.7m for the half-year is reflective of increased interest in AI as solutions to solve common business needs as well as our B2C AI applications that enable customers to engage with conversational AI for recreation.*

*As UNITH prepares for a broader launch of the Digital Human platform, we will be demonstrating a range of digital humans as case studies at global AI conferences throughout H2 FY24, while increasing exposure of the UNITH brand to prospective customers and partners. These efforts will be backed up by our development team which have built integrations for Wordpress and Shopify - two of the largest players in*



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*the website and eCommerce spaces - that will help drive adoption and deployment of our digital humans around the world.”*

## H1 FY24 Financial Update

- Revenue of \$2.7 million for the current half-year, an increase of 18% on the prior half-year (“H1 FY23”), comprised of \$2.3 million from the Subscription division (H1 FY23: \$2.0 million) and \$0.4 million from the Digital Humans division (H1 FY23: \$0.3 million).
- At the statutory level, UNITH Group’s EBITDA profit generated for H1 FY24 was \$0.4 million (H1 FY23: \$0.5 million). Net loss after tax was (\$0.2 million) (H1 FY23: profit of \$0.1 million).
- Cash on hand as at 31 December 2023 was \$1.4 million and the net asset position of the Group was \$9.4 million.
- UNITH recognised a non-cash fair value gain of \$2.0 million on the investment in AudioStack (formerly known as Aflorithmic) during the half-year, emphasising the intrinsic value of this strategic investment.
- The Company is actively refining operational processes and resource allocations to ensure an efficient cost structure, while fostering the continued investment in R&D of the Digital Humans technology and further advancing on the ongoing commercialisation progress.
- Post balance-date, UNITH raised \$2.0 million (gross proceeds) via a share placement and on 23 February 2024 the Company announced a non-renounceable pro rata entitlement issue of one new share for every seven shares held by eligible shareholders at the record date of 28 February 2024 to raise up to \$2.0 million before costs, plus an oversubscription offer up to \$0.5 million.

## Operational Update

### Digital Humans Technology Update

UNITH achieved completion of the 2023 Technology Roadmap which included critical development updates to the platform’s video and audio synthesis to synchronise digital human responsiveness with its conversational AI capabilities. These milestones were set with the aim of reducing the bandwidth requirements of the platform without sacrificing the realism of the digital humans and their ability to respond in real time.

Conversational AI functionality was enhanced with the platform now capable of offering four different modes as Open Conversations, Restricted Conversations, Guided Conversations and Video Delivery. These four modes allow users to select where information is sourced by their digital human (OpenAI or uploaded documents), while also providing functionality for guided conversations towards a desired outcome. All modes are powered by UNITH’s AI and GPT technology and was one of the final modules added to the Digital Human platform, leading to the self-service soft launch in December 2023.



As a modular platform, there are capabilities to integrate with other Large Language Models (LLM) whereby the Digital Human platform can recognise and interpret these LLMs or complex datasets, and apply digital human functionality. This infrastructure will provide ÜNITH with opportunities to work more closely with large enterprises and governments that want to own their LLMs.

Digital humans generated in the self-service platform can be embedded into an existing website or mobile application with the platform generating a customisable code-snippet. Once embedded, the digital human can interact with customers 24/7 with ÜNITH servers now globally distributed to improve speed, reduce latency and service global clients.

During the soft launch, accessibility is controlled with selective user access so that ÜNITH can respond quickly to feedback, identify potential issues, and make necessary adjustments before a broader release. This measured approach allows ÜNITH to gather valuable insights from a limited user base, ensuring a smoother and more refined experience for a broader audience as the go-to-market strategy progresses.

As part of the the 2024 Roadmap (released 6 February 2024<sup>1</sup>), ÜNITH has developed plugins for Wordpress and Shopify which will make it simple for users to embed their digital humans on a standard Wordpress website with eCommerce functionality via Shopify integrations. The launch of these plugins is pending third party approvals.

### Digital Humans Commercial Update

Sales revenue from the Digital Human division for H1 FY24 was \$399K, which represented a 41% increase on the previous corresponding period (H1 FY23: \$283K), with revenue realised from more customers utilising the Digital Human platform for AI solutions.

The eSocial Worker ordered by The Alliance for Public Health was delivered and has been undergoing testing in preparation for its launch in various Eastern European countries where the eSocial Worker is fully proficient in English and Ukrainian. Work with social service providers has already captured interest from health organisations in Europe and Central Asia. ÜNITH is in ongoing discussions for further commercial work in the space to improve healthcare and social services by utilising AI to take pressure off overloaded Government agencies.

Other digital humans for clients in the online gaming and insurance sectors were also delivered with ongoing support provided through these licensing agreements, focused on customer support, marketing and sales.

Since soft launching the Digital Human platform as a self-service, ÜNITH is working with a select number of clients that had previously expressed interest in the platform to create and deploy their own digital

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<sup>1</sup> <https://www.unith.ai/wp-content/uploads/2024/02/ÜNITH-Investor-Presentation-February-2024.pdf>



humans. It is UNITH’s intention that most of these clients will extend their use of the platform into premium commercial licences with increased functionality and integrations.

UNITH’s commercial team will be increasing their presence in the coming months to drive interest in the Digital Human platform. This will commence with presentations at the Telemedia 8.1Live and Mobile World conferences in Spain (February 2024), followed by the Chatbot Summit in Germany (March 2024). These events will be utilised to engage with prospective partners and clients for the Digital Human platform.

### B2C Subscription Division

Sales revenue from the B2C Subscription Division for H1 FY24 was \$2.3 million, which represented a 14% increase on the previous corresponding period (H1 FY23: \$2.0 million), driven by entry into new territories via mobile network operators and increased presence with applications added to existing territories. As of 15 December 2023, the B2C AI applications had been downloaded by more than 800K users via carrier billing, predominantly in Europe and the MENA region.

Since August 2023, UNITH has been undertaking a restructure of the B2C division to transition user acquisition activity from third party providers in-house. This is expected to increase UNITH’s margins retained on subscription revenue, while also being able to acquire users in greater mass. To assist the transition, higher advertising spend was deployed by the B2C division but the long-term return from this restructure is anticipated to be sustainable revenue growth from the division, as well as improved margins from H2 FY24 onwards.

In February 2024, the B2C Subscription Division was active at the Telemedia 8.1Live and Mobile World conferences in Spain where they showcased all B2C Subscription AI products (Bedtime Stories, History AI & AstroVIP), while also providing live demonstrations of the new AI Travel Guide application.

Powered by UNITH’s Digital Human technology, the AI Travel Guide app covers over 50 top travel destinations to offer users travel advice, recommendations and personalised experiences based on responsiveness from conversational AI. UNITH anticipates a commercial launch of this new product with its first telco partners by the end of Q3 FY24, where it will be localised for various languages and added to the existing suite of B2C conversational AI products that generate subscription revenue.

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 of Unith Ltd.

(ENDS)



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## 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 customisable, 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](https://unith.ai)



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## 1. Company details

Name of entity:	Unith Ltd
ABN:	13 083 160 909
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	17.8% to	2,653,950
Loss from ordinary activities after tax attributable to the owners of Unith Ltd	down	262.0% to	(222,735)
Loss for the half-year attributable to the owners of Unith Ltd	down	262.0% to	(222,735)

### Dividends

There were no dividends paid, recommended or declared during the current financial period.

### Comments

The loss for the Group after providing for income tax and non-controlling interest amounted to \$222,735 (31 December 2022: profit of \$137,475).

Refer to the Directors' report for discussion of the review of operations for the half-year.

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.84</u>	<u>0.59</u>
Calculated as follows:		
	<b>Group</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	\$	\$
Net assets	9,377,209	5,605,204
Less: Intangibles	<u>(1,822,727)</u>	<u>(1,199,184)</u>
Net tangible assets	<u>7,554,482</u>	<u>4,406,020</u>
Total shares issued (no.)	<u>900,714,167</u>	<u>744,762,360</u>

## 4. Control gained over entities

Not applicable.

## 5. Loss of control over entities

Not applicable.

## 6. Dividends

### *Current period*

There were no dividends paid, recommended or declared during the current financial period.

### *Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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## 7. Dividend reinvestment plans

Not applicable.

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## 8. Details of associates and joint venture entities

Not applicable.

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## 9. Foreign entities

### *Details of origin of accounting standards used in compiling the report:*

Not applicable.

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## 10. Audit qualification or review

### *Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-Year Report.

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## 11. Attachments

### *Details of attachments (if any):*

The Half-Year Report of Unith Ltd for the half-year ended 31 December 2023 is attached.

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## 12. Signed



Signed \_\_\_\_\_

Date: 28 February 2024

Sytze Voulon  
Non-Executive Chairman  
Perth

**Unith Ltd**

**ABN 13 083 160 909**

**Half-Year Report - 31 December 2023**



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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Unith Ltd (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

### Directors

The following persons were Directors of Unith Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Sytze Voulon	Chairman
Scott Mison	
Justin Baird	Appointed 26 July 2023
Matthew Blake	

### Principal activities

During the financial half-year the principal continuing activities of the Group consisted of the sale of information, entertainment and content and utility services for mobile phones and tablets; and development of conversational commerce technology.

### Review of operations

Unith Ltd was organised into three operating segments during the financial half-year: Mobile Content-Subscription (or 'Subscription'), Digital Humans (formerly Talking Head) and Other Segments.

The Group earned revenue for the half-year ended 31 December 2023 of \$2,653,950 versus \$2,253,275 in the prior half-year ended 31 December 2022 ('pcp' or 'prior half-year'). The Group's earnings before interest, tax, depreciation and amortisation ('EBITDA') was a profit of \$374,912 for the half-year (pcp: profit of \$541,368) and the net loss after tax ('NPAT') for the half-year was (\$244,044) (pcp: profit of \$137,475). The Group's net asset position at 31 December 2023 was \$9,377,209 (30 June 2023: \$9,308,488).

### Comparison of half-year ended 31 December 2023 to 31 December 2022

	31 Dec 2023	31 Dec 2022	Increase/ (decrease)	Percentage change
	\$	\$	\$	%
Revenue	2,653,950	2,253,275	400,675	18%
Net fair value gain/(loss) on investments	2,001,939	1,259,013	742,926	59%
Cost of sales	(651,229)	(590,750)	(60,479)	10%
Selling, general and administration expenses	(3,648,381)	(2,312,967)	(1,335,414)	58%
Impairment expenses and expected credit losses	18,633	(67,203)	85,836	(128%)
EBITDA	374,912	541,368	(166,456)	(31%)
Interest revenue	472	60,139	(59,667)	(99%)
Depreciation and amortisation	(579,829)	(420,038)	(159,791)	38%
Finance costs	(39,599)	(43,994)	4,395	(10%)
Income tax (expense) / benefit	-	-	-	-
NPAT	<u>(244,044)</u>	<u>137,475</u>	<u>(381,519)</u>	<u>(278%)</u>

Notably, the Group's EBITDA and net loss includes non-cash fair value gain on investments of \$2,001,939 and non-cash share-based payment charges of \$172,153. When adjusting for these effects, consistent with performance measures reported to shareholders during the half-year, the underlying EBITDA for the financial half-year is a loss of \$(1,372,786), as follows:

	31 Dec 2023	31 Dec 2022	Increase/ (decrease)	Percentage change
	\$	\$	\$	%
NPAT	(244,044)	137,475	(381,519)	(278%)
Add back: income tax expense / (benefit)	-	-	-	-
Add back: finance costs	39,599	43,994	(4,395)	(10%)
Deduct: interest revenue	(472)	(60,139)	59,667	(99%)
Add back: depreciation and amortisation	579,829	420,038	159,791	38%
EBITDA	374,912	541,368	(166,456)	(31%)
Add back: impairment expenses (non-cash)	(18,633)	67,203	(85,836)	(128%)
Add back: share-based payments expense (non-cash)	172,153	102,907	69,246	67%
Deduct: fair value gain on investments (non-cash)	(2,001,939)	(1,259,013)	(742,926)	59%
Effects of exchange rate changes	100,721	22,525	78,196	347%
Underlying EBITDA	<u>(1,372,786)</u>	<u>(525,010)</u>	<u>(847,776)</u>	161%

The directors consider Underlying Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') to reflect the core earnings of the Group. Underlying EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash and significant items.

### Revenue

For the half-year, revenue from the Group's operations totalled \$2,653,950 (pcp: \$2,253,275). Revenue was represented by Subscription of \$2,254,528 (pcp: \$1,969,810) and Digital Humans of \$399,422 (pcp: \$283,465).

### Expenses

#### (i) Cost of sales

For the half-year, the Group's cost of sales was \$651,229 (pcp: \$590,750). Cost of sales as a percentage of revenue is expected to be stable for the remainder of the financial year.

#### (ii) Selling, general and administration expense

The Group's selling, general and administration expenses (including marketing/user acquisition costs) of \$3,648,381 for the half-year increased by 58% compared to the prior period. The increase is mainly due to higher spend on user acquisition costs as the B2C subscription user acquisition activities were transitioned in-house and continued investment in R&D of the Digital Humans technology.

#### (iii) Depreciation and amortisation

The consolidated depreciation and amortisation expense for the half-year was \$579,829 (pcp: \$420,038). The increase from prior period is mainly due to amortisation on software intangible assets.

#### (iv) Finance costs

The consolidated finance costs for the half-year of \$39,599 decreased by 10% from \$43,994 for the prior half-year.

#### (v) Income tax expense/(benefit)

The consolidated income tax expense for the half-year was \$nil (pcp: \$nil).

### Cash flow

The Group's net cash used by operating activities for the half-year was (\$2,047,657), an increase of \$1,740,536, or 567%, compared to the prior period cash used by operating activities of (\$307,121).

The net cash used by investing activities for the half-year was (\$599,792), mainly used for development of IP.

Net cash flow from financing activities was \$163,077.

### **Liquidity and Financial Position**

At the Group's 31 December 2023 reporting date:

- Cash and cash equivalents ('cash') were \$1,395,462 (30 June 2023: \$4,260,433).
- Working capital (defined as current assets less current liabilities) was \$967,352 (30 June 2023: \$3,014,551).
- Net assets were \$9,377,209 (30 June 2023: \$9,308,488).

The financial statements have been prepared on a going concern basis.

### **Significant changes in the state of affairs**

On 21 July 2023, the Company issued 1,376,035 fully paid ordinary shares to employees upon the vesting of performance rights. The Company also issued 12,422,223 unlisted options to employees. The Company also announced that 7,000,000 fully paid ordinary shares and 8,000,000 listed options were issued for settlement of capital raising costs.

On 26 July 2023, the Company announced the appointment of Justin Baird as Non-Executive Director. Justin, Fellow of the Royal Society of the Arts ('FRSA'), brings over twenty years of management and high-tech experience in areas ranging from research and development, analogue and digital engineering, embedded systems development, hardware and software product management, high speed digital networks, large scale multimedia processing systems, mobile and web application deployment, android and iOS mobile applications, agile team management, and social media technologies.

On 27 July 2023, the Company announced that it issued 500,000 fully paid ordinary shares to a contractor as part of remuneration.

On 22 August 2023, the Company announced that it won a public tender to deliver an artificial intelligence solution for the Alliance of Public Health that will see Unith's digital humans deployed across 14 countries. The digital workers will be deployed by June 2024 through Unith's AI platform and integrated into existing social services, reducing burden on the public healthcare system. The one-year contract, with an option for a five-year extension, was awarded to Unith via a public tender process and is valued at USD\$111,000 (approximately AUD\$164,000).

There were no other significant changes in the state of affairs of the Group during the financial half-year.

### **Matters subsequent to the end of the financial half-year**

On 23 January 2024, the Company announced that it received the following notices of intention to remove directors and an invalid Section 249D notice:

- Section 203D Notice giving notice of intention to remove Matthew Blake as a Director of the Company; and
- Section 203D Notice giving notice of intention to remove Sytze Voulon and Justin Baird as Directors of the Company; and
- Section 249D Notice requesting that resolutions be put to shareholders for the removal of Sytze Voulon and Justin Baird as Directors of the Company and the election of Andrew Derek Cotterill as a Director of the Company, (together, the Notices).

On 4 February 2024, the Company announced that it successfully secured firm commitments to raise \$2.0 million (gross proceeds) via a strongly supported share placement to institutional, sophisticated and professional investors. The share placement comprises an offer of 137,931,034 new fully paid ordinary shares in the Company at an issue price of \$0.0145 per share, with attaching unlisted options on a 1:2 basis exercisable at \$0.023 per option expiring 30 September 2024 (being non-transferable) and attaching options (to be listed) on a 1:2 basis exercisable at \$0.30 per option expiring 1 March 2026. The share issue price is at a 23.7% discount to the Company's 15-day volume weighted average price (\$0.019) at close of trading on 31 January 2024.

On 13 February 2024, the Company announced that 137,931,034 fully paid ordinary shares and 68,965,517 unlisted options were issued as part of the share placement announced on 4 February 2024.

On 21 February 2024, a Notice of General Meeting and Explanatory Statement was announced by the Company to be held on 28 March 2024, where various resolutions, as a result of the S203D and S249D notices, will be put to shareholders.

On 23 February 2024, the Company announced a non-renounceable pro rata entitlement issue of one new share for every seven shares held by eligible shareholders at the record date of 28 February 2024 to raise up to \$2.0 million before costs. The issue price of the entitlement offer is \$0.014 per new share together with one free-attaching unlisted option and one free-attaching listed option, for every two new shares issued to eligible shareholders. The Lead Manager, Evolution Capital, is mandated to place the shortfall, if available, at the same terms.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke ending in a small 'x' mark.

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Sytze Voulon  
Non-Executive Chairman

28 February 2024  
Perth

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## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Unith Ltd for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read "RSM".

**RSM AUSTRALIA PARTNERS**

A handwritten signature in black ink, appearing to read "R J Morillo Maldonado".

**R J MORILLO MALDONADO**  
Partner

Dated: 28 February 2024  
Melbourne, Victoria

**Unith Ltd**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2023**

**ÜNITH**

		<b>Group</b>	
	<b>Note</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Revenue	4	2,653,950	2,253,275
Cost of sales		<u>(651,229)</u>	<u>(590,750)</u>
Gross margin		<u>2,002,721</u>	<u>1,662,525</u>
Interest revenue calculated using the effective interest method		472	60,139
Net fair value gain on investments	5	2,001,939	1,259,013
<b>Expenses</b>			
Marketing		(1,232,651)	(362,574)
Administration and other expenses		(425,522)	(345,774)
Consultants		(458,347)	(402,924)
Depreciation and amortisation expense		(579,829)	(420,038)
Employee benefits expense		(1,263,488)	(1,048,515)
Impairment of assets		-	(9,193)
Travel and accommodation		(96,220)	(50,273)
Share-based payments		(172,153)	(102,907)
Allowance for expected credit losses		18,633	(58,010)
Finance costs		<u>(39,599)</u>	<u>(43,994)</u>
<b>(Loss)/profit before income tax expense</b>		<b>(244,044)</b>	<b>137,475</b>
Income tax expense		-	-
<b>(Loss)/profit after income tax expense for the half-year</b>		<b><u>(244,044)</u></b>	<b><u>137,475</u></b>
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(25,017)</u>	<u>23,379</u>
Other comprehensive (loss)/income for the half-year, net of tax		<u>(25,017)</u>	<u>23,379</u>
<b>Total comprehensive (loss)/income for the half-year</b>		<b><u>(269,061)</u></b>	<b><u>160,854</u></b>
<b>(Loss)/profit for the half-year is attributable to:</b>			
Non-controlling interest		(21,309)	-
Owners of Unith Ltd		<u>(222,735)</u>	<u>137,475</u>
		<b><u>(244,044)</u></b>	<b><u>137,475</u></b>
<b>Total comprehensive (loss)/income for the half-year is attributable to:</b>			
Non-controlling interest		(21,309)	-
Owners of Unith Ltd		<u>(247,752)</u>	<u>160,854</u>
		<b><u>(269,061)</u></b>	<b><u>160,854</u></b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	9	(0.02)	0.02
Diluted earnings per share	9	(0.02)	0.02

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Unith Ltd**  
**Consolidated statement of financial position**  
**As at 31 December 2023**

**ÜNITH**

	Group	
Note	31 Dec 2023	30 Jun 2023
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,395,462	4,260,433
Trade and other receivables	650,355	305,322
Accrued income	577,390	489,575
Other assets	90,775	165,321
<b>Total current assets</b>	<u>2,713,982</u>	<u>5,220,651</u>
<b>Non-current assets</b>		
Other financial assets	5	6,211,633
Property, plant and equipment	52,762	51,436
Right-of-use assets	805,153	950,419
Intangibles	6	1,822,727
<b>Total non-current assets</b>	<u>8,892,275</u>	<u>6,953,910</u>
<b>Total assets</b>	<u>11,606,257</u>	<u>12,174,561</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	1,303,966	1,845,301
Deferred revenue	63,874	6,499
Lease liabilities	357,399	342,921
Employee benefits	21,391	11,379
<b>Total current liabilities</b>	<u>1,746,630</u>	<u>2,206,100</u>
<b>Non-current liabilities</b>		
Lease liabilities	482,418	659,973
<b>Total non-current liabilities</b>	<u>482,418</u>	<u>659,973</u>
<b>Total liabilities</b>	<u>2,229,048</u>	<u>2,866,073</u>
<b>Net assets</b>	<u>9,377,209</u>	<u>9,308,488</u>
<b>Equity</b>		
Issued capital	7	48,018,022
Reserves	6,043,807	5,924,230
Accumulated losses	(44,655,657)	(44,432,922)
Equity attributable to the owners of Unith Ltd	9,406,172	9,316,142
Non-controlling interest	(28,963)	(7,654)
<b>Total equity</b>	<u>9,377,209</u>	<u>9,308,488</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*



**Unith Ltd**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2023**

**ÜNITH**

<b>Group</b>	<b>Issued capital \$</b>	<b>Foreign currency reserve \$</b>	<b>Share-based payments reserve \$</b>	<b>Accumulated losses \$</b>	<b>Non-controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 July 2022	42,685,549	374,232	5,553,508	(43,911,959)	-	4,701,330
Profit after income tax expense for the half-year	-	-	-	137,475	-	137,475
Other comprehensive income for the half-year, net of tax	-	23,379	-	-	-	23,379
Total comprehensive income for the half-year	-	23,379	-	137,475	-	160,854
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	640,113	-	-	-	-	640,113
Share-based payments	-	-	102,907	-	-	102,907
Issue of shares on vesting of performance rights	79,120	-	(79,120)	-	-	-
Balance at 31 December 2022	<u>43,404,782</u>	<u>397,611</u>	<u>5,577,295</u>	<u>(43,774,484)</u>	-	<u>5,605,204</u>

<b>Group</b>	<b>Issued capital \$</b>	<b>Foreign currency reserve \$</b>	<b>Share-based payments reserve \$</b>	<b>Accumulated losses \$</b>	<b>Non-controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 July 2023	47,824,834	462,410	5,461,820	(44,432,922)	(7,654)	9,308,488
Loss after income tax expense for the half-year	-	-	-	(222,735)	(21,309)	(244,044)
Other comprehensive loss for the half-year, net of tax	-	(25,017)	-	-	-	(25,017)
Total comprehensive loss for the half-year	-	(25,017)	-	(222,735)	(21,309)	(269,061)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	154,659	-	10,970	-	-	165,629
Share-based payments	-	-	172,153	-	-	172,153
Issue of shares on vesting of performance rights	38,529	-	(38,529)	-	-	-
Balance at 31 December 2023	<u>48,018,022</u>	<u>437,393</u>	<u>5,606,414</u>	<u>(44,655,657)</u>	<u>(28,963)</u>	<u>9,377,209</u>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

Unith Ltd  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2023**

**ÜNITH**

	Group	
Note	31 Dec 2023	31 Dec 2022
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST or equivalent)	2,297,110	2,585,814
Payments to suppliers and employees (inclusive of GST or equivalent)	(4,305,640)	(2,909,080)
Interest received	472	60,139
Interest and other finance costs paid	<u>(39,599)</u>	<u>(43,994)</u>
Net cash used in operating activities	<u>(2,047,657)</u>	<u>(307,121)</u>
<b>Cash flows from investing activities</b>		
Payments for intangibles	<u>(599,792)</u>	<u>(502,748)</u>
Net cash used in investing activities	<u>(599,792)</u>	<u>(502,748)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	7 -	600,000
Proceeds from exercise of options	7 -	27,000
Share issue transaction costs	7 -	(1,304)
Repayment of lease liabilities	<u>(163,077)</u>	<u>(104,911)</u>
Net cash provided by/(used in) financing activities	<u>(163,077)</u>	<u>520,785</u>
Net decrease in cash and cash equivalents	(2,810,526)	(289,084)
Cash and cash equivalents at the beginning of the financial half-year	4,260,433	2,228,456
Effects of exchange rate changes on cash and cash equivalents	<u>(54,445)</u>	<u>(28,904)</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,395,462</u></u>	<u><u>1,910,468</u></u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

## Note 1. General information

The financial statements cover Unith Ltd as a consolidated entity consisting of Unith Ltd (referred to as 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the half-year (referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Unith Ltd's functional and presentation currency.

Unith Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

### Registered office

202/37 Barrack Street  
Perth WA 6000  
Australia

### Principal place of business

95B Piet Heinkade  
1019 GM Amsterdam  
Netherlands

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 February 2024. The Directors have the power to amend and reissue the financial statements.

## Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Going concern

The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business. During the half-year ended 31 December 2023, the Group incurred a net loss \$244,044 and had cash outflows from operating activities of \$2,047,657. The Group is currently in the development phase of its new technology products and is in the early stages of commercialisation. Consequently, it relies on external funding to sustain ongoing operations and to continue the development of its technology products.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

## Note 2. Material accounting policy information (continued)

The Directors have concluded that there are reasonable grounds to believe that the Group will continue as a going concern, after consideration of the following factors:

- As at 31 December 2023, the Group holds cash and cash equivalents of \$1.4 million;
- The Group has neither any capital commitments, nor any significant operational commitments;
- Subsequent to 31 December 2023 (please refer to note 11), the Group raised capital amounting to \$1.8 million, after transaction costs. This capital raised strengthened the cash position of the Group; and
- The Group has lodged an Entitlement Offer valued at up to \$2.5 million, scheduled for completion in March 2024. The Lead Manager, Evolution Capital, has agreed to use its reasonable endeavours to place any Entitlement Offer shortfall with Institutional and Sophisticated Investors in accordance with the timetable. The Group has a positive track record of its capacity to raise funds in support of its business plan.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

## Note 3. Operating segments

### *Identification of reportable operating segments*

The Group has three operating segments during the financial half-year: Mobile Content - Subscription (or 'Subscription'), Digital Humans (formerly Talking Head) and Other Segments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The Digital Humans business unit is presented separately as of this reporting period, as the CODM has identified its business and resource usage or cashflows separately from Subscription. There is no aggregation of operating segments.

For operating segment performance, the CODM reviews earnings before interest, tax, depreciation and amortisation, adjusted for non-cash items ('Underlying EBITDA'). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

### *Types of products and services*

The principal products and services of each of these operating segments are as follows:

**Mobile Content - Subscription** Mobile subscription-based, broad content offering of products such as mobile security, games and video portals via a mobile payments network and the underlying AI-driven technology platform.

**Digital Humans** The Digital Humans B2B SaaS division creates and licenses engaging, user-centric conversations in real time with AI-powdered digital humans.

**Other Segments** Information about Group Corporate and other business activities that are not related to the Subscription and Digital Humans operating segments are reported in Other Segments.

### *Intersegment receivables, payables and loans*

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

**Note 3. Operating segments (continued)**

*Operating segment information*

	<i>Subscription</i>	<i>Digital</i>	<i>Other</i>	<i>Total</i>
	\$	\$	\$	\$
<b>Group - 31 Dec 2023</b>				
<b>Revenue</b>				
Sales to external customers	2,254,528	399,422	-	2,653,950
Interest income	-	-	472	472
<b>Total revenue</b>	<u>2,254,528</u>	<u>399,422</u>	<u>472</u>	<u>2,654,422</u>
<b>EBITDA</b>				
Depreciation and amortisation	(234,422)	(279,529)	888,863	374,912
Depreciation and amortisation	(216,072)	(244,628)	(119,129)	(579,829)
Interest income	-	-	472	472
Finance costs	(36,331)	11,195	(14,463)	(39,599)
<b>(Loss)/profit before income tax expense</b>	<u>(486,825)</u>	<u>(512,962)</u>	<u>755,743</u>	<u>(244,044)</u>
Income tax expense				-
<b>Loss after income tax expense</b>				<u>(244,044)</u>
<b>Assets</b>				
Segment assets	2,533,434	1,799,863	7,272,960	11,606,257
<b>Total assets</b>				<u>11,606,257</u>
<b>Liabilities</b>				
Segment liabilities	1,831,119	199,071	198,858	2,229,048
<b>Total liabilities</b>				<u>2,229,048</u>
	<i>Subscription</i>	<i>Digital</i>	<i>Other</i>	<i>Total</i>
	\$	\$	\$	\$
<b>Group - 31 Dec 2022</b>				
<b>Revenue</b>				
Sales to external customers	1,969,810	283,465	-	2,253,275
Interest income	-	-	60,139	60,139
<b>Total revenue</b>	<u>1,969,810</u>	<u>283,465</u>	<u>60,139</u>	<u>2,313,414</u>
<b>EBITDA</b>				
Depreciation and amortisation	458,698	(115,823)	198,493	541,368
Depreciation and amortisation	(229,357)	(161,981)	(28,700)	(420,038)
Interest income	-	-	60,139	60,139
Finance costs	(22,850)	-	(21,144)	(43,994)
<b>Profit/(loss) before income tax expense</b>	<u>206,491</u>	<u>(277,804)</u>	<u>208,788</u>	<u>137,475</u>
Income tax expense				-
<b>Profit after income tax expense</b>				<u>137,475</u>
<b>Group - 30 Jun 2023</b>				
<b>Assets</b>				
Segment assets	3,203,643	2,140,107	6,830,811	12,174,561
<b>Total assets</b>				<u>12,174,561</u>
<b>Liabilities</b>				
Segment liabilities	2,096,672	241,957	527,444	2,866,073
<b>Total liabilities</b>				<u>2,866,073</u>

**Note 3. Operating segments (continued)**

*Geographical information*

	Sales to external customers		Geographical non-current assets	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	30 Jun 2023
	\$	\$	\$	\$
Australasia	-	29,100	186,765	196,320
Europe	1,842,999	2,053,145	2,493,878	2,424,701
Latin America	128,219	112,814	-	-
Middle East and Africa	567,750	-	-	-
Other	114,982	58,216	-	-
	<u>2,653,950</u>	<u>2,253,275</u>	<u>2,680,643</u>	<u>2,621,021</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

**Note 4. Revenue**

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	Subscription	Digital Humans	Total
	\$	\$	\$
<b>Group - 31 Dec 2023</b>			
<i>Major product lines</i>			
Entertainment and content	2,254,528	-	2,254,528
Software licensing	-	399,422	399,422
	<u>2,254,528</u>	<u>399,422</u>	<u>2,653,950</u>
<i>Geographical regions</i>			
Europe	1,472,790	370,209	1,842,999
Latin America	128,219	-	128,219
Middle East and Africa	567,750	-	567,750
Other	85,769	29,213	114,982
	<u>2,254,528</u>	<u>399,422</u>	<u>2,653,950</u>
<i>Timing of revenue recognition</i>			
Goods transferred at a point in time	<u>2,254,528</u>	<u>399,422</u>	<u>2,653,950</u>

**Note 4. Revenue (continued)**

<b>Group - 31 Dec 2022</b>	<i>Subscription</i> \$	<i>Digital Humans</i> \$	<i>Total</i> \$
<i>Major product lines</i>			
Entertainment and content	1,969,810	-	1,969,810
Software licensing	-	283,465	283,465
	<u>1,969,810</u>	<u>283,465</u>	<u>2,253,275</u>
<i>Geographical regions</i>			
Australasia	29,100	-	29,100
Europe	1,769,680	283,465	2,053,145
Latin America	112,814	-	112,814
Middle East and Africa	-	-	-
Other	58,216	-	58,216
	<u>1,969,810</u>	<u>283,465</u>	<u>2,253,275</u>
<i>Timing of revenue recognition</i>			
Goods transferred at a point in time	<u>1,969,810</u>	<u>283,465</u>	<u>2,253,275</u>

**Note 5. Other financial assets**

	<b>Group</b>	
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	\$	\$
<i>Non-current assets</i>		
Investment in AudioStack (formerly Aflorithmic Labs Ltd)	3,891,499	1,966,574
Investment in In the Room Global Ltd	1,836,606	1,872,557
Investment in UneeQ Ltd	483,528	493,761
	<u>6,211,633</u>	<u>4,332,892</u>

*Reconciliation*

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial half-year are set out below:

Opening carrying amount	4,332,892	1,133,026
Additions	-	279,385
Revaluations	2,001,939	2,754,751
Exchange differences	<u>(123,198)</u>	<u>165,730</u>
Closing carrying amount	<u>6,211,633</u>	<u>4,332,892</u>

**Note 6. Intangibles**

	<b>Group</b>	
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	\$	\$
<i>Non-current assets</i>		
Intellectual property - at cost	130,956	130,906
Less: Impairment	(17,168)	(17,168)
	<u>113,788</u>	<u>113,738</u>
Software - at cost	3,101,413	2,474,076
Less: Accumulated amortisation	(1,425,099)	(999,329)
	<u>1,676,314</u>	<u>1,474,747</u>
Website and other intangibles - at cost	89,092	86,890
Less: Accumulated amortisation	(39,850)	(39,595)
Less: Impairment	(16,617)	(16,617)
	<u>32,625</u>	<u>30,678</u>
	<u><u>1,822,727</u></u>	<u><u>1,619,163</u></u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Group</b>	<i>Intellectual property</i> \$	<i>Software</i> \$	<i>Website and other intangibles</i> \$	<i>Total</i> \$
Balance at 1 July 2023	113,738	1,474,747	30,678	1,619,163
Additions	-	599,792	-	599,792
Exchange differences	50	20,449	1,947	22,446
Amortisation expense	-	(418,674)	-	(418,674)
	<u>113,788</u>	<u>1,676,314</u>	<u>32,625</u>	<u>1,822,727</u>
Balance at 31 December 2023	<u><u>113,788</u></u>	<u><u>1,676,314</u></u>	<u><u>32,625</u></u>	<u><u>1,822,727</u></u>

**Note 7. Issued capital**

	<b>Group</b>			
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>900,714,150</u>	<u>890,838,115</u>	<u>48,018,022</u>	<u>47,824,834</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>No of shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2023	890,838,115		47,824,834
Issue of shares	17 July 2023	7,000,000	\$0.021	150,000
Issue of shares on vesting of performance rights to employees (excluding directors)	19 July 2023	1,376,035	\$0.028	38,529
Issue of shares in lieu of consulting fees	24 July 2023	500,000	\$0.029	14,500
Issue of shares in lieu of consulting fees	8 November 2023	1,000,000	\$0.030	30,000
Less: share issue transaction costs				(39,841)
Balance	31 December 2023	<u>900,714,150</u>		<u>48,018,022</u>



**Note 8. Fair value measurement**

*Fair value hierarchy*

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

<b>Group - 31 Dec 2023</b>	<i>Level 1</i> \$	<i>Level 2</i> \$	<i>Level 3</i> \$	<i>Total</i> \$
<i>Assets</i>				
Other financial assets	-	-	6,211,633	6,211,633
Total assets	-	-	6,211,633	6,211,633

<b>Group - 30 Jun 2023</b>	<i>Level 1</i> \$	<i>Level 2</i> \$	<i>Level 3</i> \$	<i>Total</i> \$
<i>Assets</i>				
Other financial assets	-	-	4,332,892	4,332,892
Total assets	-	-	4,332,892	4,332,892

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities. The discount rate used is 23%.

*Level 3 assets and liabilities*

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

<b>Group</b>	<i>AudioStack (formerly Aflorithmic Labs Ltd)</i> \$	<i>In the Room Global Ltd</i> \$	<i>UneeQ Ltd</i> \$	<i>Total</i> \$
Balance at 1 July 2023	1,966,574	1,872,557	493,761	4,332,892
Exchange differences	(77,014)	(35,951)	(10,233)	(123,198)
Fair value adjustments	2,001,939	-	-	2,001,939
Balance at 31 December 2023	<u>3,891,499</u>	<u>1,836,606</u>	<u>483,528</u>	<u>6,211,633</u>

**Note 9. Earnings per share**

	<b>Group</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	\$	\$
(Loss)/profit after income tax	(244,044)	137,475
Non-controlling interest	21,309	-
(Loss)/profit after income tax attributable to the owners of Unith Ltd	<u>(222,735)</u>	<u>137,475</u>

**Note 9. Earnings per share (continued)**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	899,201,820	735,935,080
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	14,502,000
Performance rights	-	14,900,000
	<u>899,201,820</u>	<u>765,337,080</u>
	Cents	Cents
Basic earnings per share	(0.02)	0.02
Diluted earnings per share	(0.02)	0.02

Options and performance rights have been excluded from the above calculation at 31 December 2023 as their inclusion would be anti-dilutive.

**Note 10. Share-based payments**

**Options**

Set out below are summaries of options granted:

31 Dec 2023

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the half-year
30/01/2020	31/12/2023	\$0.030	4,752,000	-	-	(4,752,000)	-
01/10/2020	30/09/2023	\$0.030	7,500,000	-	-	(7,500,000)	-
18/10/2022	06/06/2025	\$0.050	1,500,000	-	-	-	1,500,000
18/10/2022	25/07/2024	\$0.060	750,000	-	-	-	750,000
10/02/2023	01/03/2024	\$0.035	462,222	-	-	-	462,222
10/02/2023	01/03/2025	\$0.040	3,726,667	-	-	-	3,726,667
10/02/2023	01/03/2026	\$0.050	3,726,667	-	-	-	3,726,667
10/02/2023	01/03/2027	\$0.060	4,506,667	-	-	-	4,506,667
30/06/2023	25/07/2024	\$0.060	8,000,000	-	-	-	8,000,000
			<u>34,924,223</u>	<u>-</u>	<u>-</u>	<u>(12,252,000)</u>	<u>22,672,223</u>

**Performance rights**

Set out below are summaries of performance rights granted:

31 Dec 2023

Grant date	Expiry date	Balance at the start of the half-year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the half-year
05/11/2020	30/06/2023	2,250,000	-	(708,675)	(1,541,325)	-
20/09/2021	20/09/2023	900,000	-	-	-	900,000
20/09/2021	20/09/2024	1,500,000	-	-	-	1,500,000
18/10/2022	30/06/2023	1,350,000	-	(667,360)	(682,640)	-
18/10/2022	30/06/2024	2,025,000	-	-	-	2,025,000
18/10/2022	30/06/2025	3,375,000	-	-	-	3,375,000
18/10/2022	30/08/2023	1,000,000	-	(1,000,000)	-	-
19/07/2023	30/06/2024	-	2,130,000	-	-	2,130,000
19/07/2023	30/06/2025	-	3,105,000	-	-	3,105,000
19/07/2023	30/06/2026	-	5,115,000	-	-	5,115,000
		<u>12,400,000</u>	<u>10,350,000</u>	<u>(2,376,035)</u>	<u>(2,223,965)</u>	<u>18,150,000</u>

**Note 10. Share-based payments (continued)**

**Valuation model inputs**

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

<i>Grant date</i>	<i>Expiry date</i>	<i>Share price at grant date</i>	<i>Expected volatility</i>	<i>Dividend yield</i>	<i>Risk-free interest rate</i>	<i>Fair value at grant date</i>
19/07/2023	30/06/2024	\$0.028	-	-	-	\$0.0028
19/07/2023	30/06/2025	\$0.028	-	-	-	\$0.0028
19/07/2023	30/06/2026	\$0.028	-	-	-	\$0.0028

The total valuation for the performance rights is \$289,800. The expense for the half-year was \$75,475.

**Note 11. Events after the reporting period**

On 23 January 2024, the Company announced that it received the following notices of intention to remove directors and an invalid Section 249D notice:

- Section 203D Notice giving notice of intention to remove Matthew Blake as a Director of the Company; and
- Section 203D Notice giving notice of intention to remove Sytze Voulon and Justin Baird as Directors of the Company; and
- Section 249D Notice requesting that resolutions be put to shareholders for the removal of Sytze Voulon and Justin Baird as Directors of the Company and the election of Andrew Derek Cotterill as a Director of the Company, (together, the Notices).

On 4 February 2024, the Company announced that it successfully secured firm commitments to raise \$2.0 million (gross proceeds) via a strongly supported share placement to institutional, sophisticated and professional investors. The share placement comprises an offer of 137,931,034 new fully paid ordinary shares in the Company at an issue price of \$0.0145 per share, with attaching unlisted options on a 1:2 basis exercisable at \$0.023 per option expiring 30 September 2024 (being non-transferable) and attaching options (to be listed) on a 1:2 basis exercisable at \$0.30 per option expiring 1 March 2026. The share issue price is at a 23.7% discount to the Company's 15-day volume weighted average price (\$0.019) at close of trading on 31 January 2024.

On 13 February 2024, the Company announced that 137,931,034 fully paid ordinary shares and 68,965,517 unlisted options were issued as part of the share placement announced on 4 February 2024.

On 21 February 2024, a Notice of General Meeting and Explanatory Statement was announced by the Company to be held on 28 March 2024, where various resolutions, as a result of the S203D and S249D notices, will be put to shareholders.

On 23 February 2024, the Company announced a non-renounceable pro rata entitlement issue of one new share for every seven shares held by eligible shareholders at the record date of 28 February 2024 to raise up to \$2.0 million before costs. The issue price of the entitlement offer is \$0.014 per new share together with one free-attaching unlisted option and one free-attaching listed option, for every two new shares issued to eligible shareholders. The Lead Manager, Evolution Capital, is mandated to place the shortfall, if available, at the same terms.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke ending in a small 'x' mark.

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Sytze Voulon  
Non-Executive Chairman

28 February 2024  
Perth

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## INDEPENDENT AUDITOR'S REVIEW REPORT

### To the Members of Unith Ltd

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Unith Ltd ('the Company') and its controlled entities (together 'the Group') which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 2 in the financial report, which indicates that during the half-year ended 31 December 2023 the Group recorded a loss of \$244,044, and had net cash outflows from operating activities amounting to \$2,047,657. As stated in Note 2, these events and conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**RSM AUSTRALIA PARTNERS**



**R J MORILLO MALDONADO**  
Partner

Dated: 28 February 2024  
Melbourne, Victoria