

ASX Announcement
2 September 2024

ÜNITH delivers 12.3% increase in revenue, self-service public launch in FY25 launch ahead of schedule

FY24 Full-Year Results

Unith Ltd (ASX: UNT | FWB: CM3) (“ÜNITH” or the “Company”) provides its full year results for the 12-month period ended 30 June 2024 (“FY24”).

FY24 Highlights:

- Revenue \$4.52 million, up 12.3% year-on-year (YoY)
- \$3.8 million cash on hand at 30 June 2024 and net assets of \$11.9 million
- All targeted AI and Commercial Roadmap milestones achieved
- Digital humans can now possess customisable personalities, utilising data and insights from various large language models (LLM) to enhance interaction quality and human-like responsiveness
- 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 600 B2B leads generated through H2 FY24 in preparation for public launch of the self-service offering
- Self-service platform ‘interFace’ to be launched ahead of Schedule on 23 September 2024, with the goal of onboarding and scaling the new product without intervention from ÜNITH personnel

Commenting on the full-year results, ÜNITH’s CEO Idan Schmorak said: “FY24 has delivered substantial milestones in the development of our Digital Human platform, progressing our commercial pursuit towards a scalable product that will revolutionise how businesses around the world utilise artificial intelligence to tackle common business challenges.

“To realise our vision, we addressed several core technology challenges to deliver a user-friendly product. For ÜNITH digital humans to be accepted and deployed as business representatives, they must be lifelike in appearance, voice, response times, and emotional reactions. Achieving this lifelike quality requires substantial data processing, necessitating the ‘miniaturisation’ of our technology to reduce computing power and latency. These efforts formed the backbone of our 2024 Roadmap, and I am proud to report that we have met all milestones on time.

“By advancing our tech stack, our digital humans now look, sound, and respond with significantly reduced latency compared to 12 months ago. Thanks to our dedicated team, we plan to achieve an immediate feeling response by the end of the year for our self-service platform, interFace. Our efforts culminated in



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a soft launch of interFace in December 2023 to a select group of users from various industries. The feedback received has been invaluable as we stress test the platform and prepare for a broader beta testing phase. Additionally, by operating in a lean, agile, and fast manner, we have developed competitive technology with relatively low resources compared to the investments made in the space.

“On the commercial front, UNITH has won and delivered several contracts throughout the year, demonstrating the efficiency of digital humans in healthcare, social services, human resources, entertainment, education, and customer service. We are just beginning to explore the potential of digital humans as a complement to human labour, where their ability to work 24/7, converse in multiple languages, and generate customer conversation analytics is highly valued by users. Additionally, UNITH has actively participated in industry conferences throughout 2024, showcasing our Digital Human platform and expanding our B2B pipeline.

“Looking ahead, we are thrilled to have our AI and Commercial roadmaps in sync. The UNITH team has excelled in overcoming scalability challenges through a unified platform, setting the stage for an AI product that will transform global business operations through conversational AI.”

FY24 Financial Update

UNITH delivered revenue of \$4.52 million (FY23: \$4.02m), an increase of 12.3% YoY, validating the transition to an in-house customer acquisition strategy with revenue of \$4.2 million from the B2C Subscription division (FY23: \$3.4 million). The Digital Human division including intersegment sales achieved 30% YoY growth to \$0.79 million (FY23: \$0.61 million) and is expected to continue to grow with the launch of the self service offering in 1H25.

UNITH’s EBITDA for FY24 was (\$0.58 million) (FY23: \$0.2 million) and was driven by continued investment in its Digital Human platform, which has progressed significantly through the year. EBITDA and net loss include non-cash fair value gains on investments of \$2 million, non-cash impairment expenses of \$0.08 million and non-cash share based payment charges of \$0.36 million. When adjusting only for these effects, the underlying EBITDA for the financial year is a loss of (\$2.3 million) (FY 23 Loss of (\$2.1million)). The increased revenue in FY24 has been reinvested into UNITH through increased marketing spend for the B2C Subscription division with the steady release of additional products into new markets and increased costs for Research and Development of Digital Human technology.

In February and March 2024, UNITH raised \$4.57 million through successful share Placement and oversubscribed Entitlement Offer. The funds raised have allowed the Company to enhance the AI capabilities of UNITH digital humans and prepare for the public launch of the Digital Human platform, while increasing commercial and marketing resources to help convert new sales of UNITH’s product suite.

Cash on hand as at 30 June 2024 was \$3.8 million and the net asset position of the Group was \$11.9 million.



Operational Update

Digital Humans Technology Update

UNITH achieved all key objectives set for FY24, aligning with the 2023 and 2024 Roadmap to launch the Digital Human platform to select users while generating valuable feedback that would best position the platform for the launch of a self-service offering in 1H25.

Key development milestones achieved during FY24 focused on:

- Simplifying the user experience by launching a Customer Panel
- Improving the video and audio synthesis while reducing latency and bandwidth consumption
- Adding emotional intelligence and expressive talking
- Preparing security measures for a global user base
- Launching a public API designed for enterprise clients that want greater control over their digital humans and LLMs
- Third party integration capabilities to leverage external client bases through plugins that can connect with Wordpress, AWS, Shopify and many more platforms

A soft launch of the self-service Digital Human platform was undertaken in December 2023, with UNITH having completed its Customer Panel for the platform which would allow users to generate digital humans and upload a knowledge base for source information, without intervention from UNITH developers. By undertaking the soft launch in a controlled environment through limiting the number of users, UNITH was able to complete all milestones while the commercial team worked closely with users on the platform, assisting them in navigating the Customer Panel and creating Digital Humans that were fit for each user's desired purpose.

The Customer Panel was one of the final development projects within the development Roadmap which enabled UNITH to expand its select users from the soft launch (Europe centric), to a global base of beta users. These users tested the global server capabilities of the Digital Human platform while also generating more valuable feedback, identifying bugs and assisting UNITH in refining the user experience. Examples of documents uploaded by users as information sources include product catalogues, employee handbooks, FAQ sheets, call scripts, instruction manuals, reports, and transcripts.

Modes offered through the Customer Panel include:

1. Open Conversations: The Digital Human responds leveraging the vast knowledge base and toolkit provided by openAI;
2. Closed Conversations: The Digital Human responds only based on the information sources uploaded by the user;



3. Guided Conversations: The Digital Human guides the conversation in a manner that reaches a desired outcome and is best applied when there is a specific user journey;

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4. Video Delivery: The Digital Human delivers a scripted message with synchronised video and audio, optimising visual quality, but with no interactivity.

Users, which had previously engaged UNITH but required a manual onboarding process and training to use the platform, provided a range of feedback which led to several platform features originally planned for 2025 to be brought forward into the 2024 Roadmap prior to a public launch of the self-service offering. Such measures were undertaken with an emphasis on client retention and premium subscription upgrades, prompting UNITH to stage the rollout of the self-service offering, managing resources prudently.

With these additional features expected to be completed within Q1 FY25, UNITH plans to launch the self-service offering in H1 FY25 where users will be able to access the platform for free with limited conversational AI functionality, before upgrading their subscription to premium or enterprise subscriptions to unlock more features such as languages, concurrent conversations, Digital Human customisability, data insights and additional server capacity.

Digital Humans Commercial Update

Sales revenue from the Digital Human division including intersegment sales for FY24 was \$0.79 million , which represented a 32% increase on the previous corresponding period (FY23: \$0.6million), with revenue realised from more clients utilising the Digital Human platform for AI solutions.

The eSocial Worker ordered by The Alliance for Public Health was delivered and deployed 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. UNITH 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 product (interFace), UNITH is working with a select number of clients that had previously expressed interest in the platform. Many of these clients that had been using the interFace during the soft launch and beta testing period have upgraded to premium subscriptions which include startups, emerging, and established businesses. UNITH has also been working with reseller partners in Asia and Australia to increase the commercial reach of the Digital Human platform. UNITH’s partners have seen professional service providers expressing interest in adding the platform to their consulting services, as a tool for business owners to leverage AI to optimise their operations.

A further pipeline of more than 600 prospective B2B clients have been generated by UNITH through industry trade shows and AI conferences during 2024. At the conferences, UNITH’s commercial team demonstrated a range of Digital Human use applications for the retail, eCommerce, hospitality, gaming, entertainment and tourism industries. Demonstrations were provided for mobile, tablet and desktop devices, as well as a touchscreen kiosk that can facilitate camera, QR code and microphone capabilities where a Digital Human can take order requests, deliver information or collect data, and reduce wait times in queues.

B2C Subscription Division

Sales revenue from the B2C Subscription Division for 1H FY24 was \$4.2 million, which represented a 23% increase on the previous year (FY23: \$3.4 million), driven by entry into new territories via mobile network operators, increased presence with applications added to existing territories and new B2C products launched which benefited from existing telco relationships.

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 contributed to higher operating expenses within the division but also increased UNITH’s margins retained on subscription revenue which began being reflected from H2 FY24 onwards.

AI Travel Guide was launched as a new B2C conversational AI app that covers more than 50 top travel destinations, offering users travel advice, recommendations and personalised experiences based on responsiveness from conversational AI.

Article+ was also developed towards the end of FY24 before launching in Q1 FY25, as a new product that leverages UNITH’s Digital Human platform to offer users wellbeing advice through conversations with Digital Human mental health experts.

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

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



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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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