

Quarterly Activities Report – December 2025

Unith Ltd (ASX: UNT | FWB: CM3) (“Unith” or the “Company”) is pleased to announce its quarterly activities report and Appendix 4C for the three months ended 31 December 2025 (Q2 FY26).

Q2 FY 26 Financial Highlights:

- **Q2 FY26 Cash receipts of \$1.43 million** were up **17%** on the prior year (Q2 FY25: \$1.23 million)
- **Cash receipts for HY26 totalled \$3.0 million**, a **24% increase compared to HY25** (\$2.41 million).
- The Company received the **first instalment** of Spanish R&D tax refunds of **A\$212k** in December 2025 - for the tax year of 2023.
- **Funding Position Strengthened** – Unith Ltd secured a **\$1.0 million unsecured strategic** facility in December, enhancing liquidity and providing additional financial flexibility to support near term platform execution and growth initiatives.
- **Cash on hand as at 31 December 2025 totalled 1.4 million.**
- Further funds have been received subsequent to period end (January 2026) of **A\$281k** received for **R&D under Spain's tax incentive**.
- Final payment for Amsterdam office lease has been made and will cease on 31 March 2026, with an **annual cost saving** to the Company of approx. **A\$430,000**.

Q1 FY26 Operational Highlights:

- **Product & Technology** - UNITH successfully launched Streaming Avatars in an alpha phase, utilizing proprietary, in-house developed streaming technology that significantly enhances performance.
- Won commercial contracts with **Persona Entertainment**, renewed and extended **APH's** 2026 self-service model, and secured a new **multinational biotech client**—strengthening Unith's position in the healthcare sector.
- Completed successful Due Diligence with Unith's existing major pharmaceutical customer, paving the way for deeper integration.
- **Strategic Pipeline** - Unith has been preliminarily selected to support a major player in digital transformation and customer experience consulting (18,000 employees) by delivering an immersive, role-play-based training experience for both its internal teams and its entire client portfolio
- **Strategic Partnerships** - The company expanded its distribution and use cases through several new partnerships.
- **ISO 27001 Certification:** Progress continues toward ISO 27001 certification, supported by Vanta. An internal audit was completed on 4 Nov 2025 with a positive report. The external audit is scheduled for Feb 2026
- **Expanded payments beyond telco billing:** credit card subscriptions (Apple Pay/Google Pay) for B2C apps targeted for **Q3 launch**, enabling new geographies and higher-value customers.



Commercial Highlights

- **Persona Entertainment OY (Finland):** A new binding contract was secured, valued at A\$127,650. This covers an initial delivery phase (10 Nov 2025 – 5 Mar 2026) followed by a **12-month licensing agreement**.
- **Alliance for Public Health (APH):** The engagement was renewed and extended into 2026 with a license-only maintenance arrangement (self-service model). The renewal supports the TWIIN platform across Ukraine, Moldova, and Georgia, with a contracted value of US\$19,200 (~A\$29,500) for the year. Furthermore, TWIIN is expected to be launched in Tajikistan and Kazakhstan early in 2026.
- **Significant Pharmaceutical Sector Expansion:**
 - Successfully completed Due Diligence with UNITH's existing major pharmaceutical customer, paving the way for deeper integration. Two new pilot programs are currently being scoped to deploy Digital Humans to optimise their business operations.
 - Secured a second strategic client in the pharmaceutical industry with an initial pilot program that holds significant scope for future growth.
- **Strategic Pipeline:**
 - Unith has been preliminarily selected to support a major player in digital transformation and customer experience consulting (18,000 employees) by delivering an immersive, role-play-based training experience for both its internal teams and its entire client portfolio. The vendor onboarding and procurement process is currently underway. This project combines a custom development engagement, including an on-premises deployment, with a usage-based licensing model, positioning Unith at the core of a large-scale, high-value rollout.
 - **Global Telco:** Unith has initiated a proof of concept in partnership with a major telecommunications player. This collaboration aims to deliver disruptive training experiences to their portfolio of corporate, institutional, and public-sector clients, fully integrated within their Digital Education subsidiary. Unith is currently being integrated into their product catalog, paving the way for large-scale commercial deployment.

Market and Growth

At Tech Show Madrid (Oct 28–30, 2025), we showcased UNITH's Digital Humans and initiated multiple conversations with prospective customers across several industry verticals—most notably around HR role-play training and pre-screening interview automation, which represent strong mid-term conversion opportunities.



Following this engagement, the Company further refined its HR ideal customer profile into two priority segments: employee training role-plays and candidate pre-screening. For each segment, UNITH developed targeted outreach initiatives and segment-specific demonstration experiences leveraging its proprietary API to clearly evidence business impact. These demonstrations incorporate end-to-end automation, including conversation summarisation, scoring-based assessment, and real-time visibility for HR decision-makers, improving operational efficiency and accelerating time-to-value. This focused execution is translating into qualified meetings and early validation of market demand.

In parallel, UNITH launched a new paid acquisition channel via LinkedIn Ads, targeting decision-makers aligned with the Company's ICPs, including HR leaders and sales training stakeholders. This channel supports scalable demand validation, systematic messaging and positioning tests across segments, and the generation of qualified inbound interest to complement outbound efforts and accelerate pipeline formation.

Finally, the Company progressed SEO for its new website through structured keyword research to capture high-intent demand aligned with priority ICPs. In addition, UNITH improved visibility within AI/LLM-driven discovery by optimising content structure and technical signals to enhance indexing and relevance in AI-mediated search and recommendation environments. Collectively, these initiatives establish the foundation for sustainable organic growth alongside paid and outbound channels.

Strategic Partnerships

The company expanded its distribution and use cases through several new partnerships:

- **Relait (Australia, investor relations platform):** A partnership was established to transition UNITH's investor relations site to Relait, featuring a **Digital Human of Executive Director Scott Mison** for enhanced shareholder engagement. The partnership also includes collaboration to offer UNITH's technology to Relait's customer base.
- **Platform5ive (P5IVE Group):** A new strategic partnership was signed with this Perth-headquartered ecosystem, which spans technology services (including AI, automation, and apps) and other operating brands. (Announced Nov 2025)
- The Company is in active discussions with **two development agencies** to support client project delivery on a flexible, on-demand basis. This approach enables us to scale implementation capacity without increasing headcount, keeping the internal team focused on core technology while still delivering on often-customised, enterprise-grade Digital Human deployments



- **ISO 27001 Certification:** Progress continues toward ISO 27001 certification, supported by Vanta. An internal audit was completed on 4 Nov 2025 with a positive report. The external audit is scheduled for Feb 2026 to integrate architecture improvements while maintaining product momentum. The company remains on track for certification in early 2026.

Key Strategic Team Changes

We optimised the team structure and made three key additions in budget-neutral roles:

- **Senior AI and Machine Learning Engineer:** This hire is focused on introducing state-of-the-art methodologies to significantly enhance the visual appearance of our Digital Humans.
- **Data Engineer:** This role addresses frequent feedback by improving the crucial data feedback loop between Digital Human interactions and the business stakeholders who utilize them.
- **Head of People:** to ensure a positive, productive, and high-performing workplace environment; and support the company's anticipated growth.

Product & Technology Update

UNITH successfully launched Streaming Avatars in an alpha phase, utilizing proprietary, in-house developed streaming technology that significantly enhances performance.

This alpha rollout has delivered a step-change in responsiveness, with early results showing approximately a 90% increase in speed. Digital Humans now respond in approximately 1-2 seconds with synchronised text, audio and video, offering a more natural, real-time conversational experience. Furthermore, early testing indicates >90% accuracy in the AI-driven conversations, complementing the improved speed.

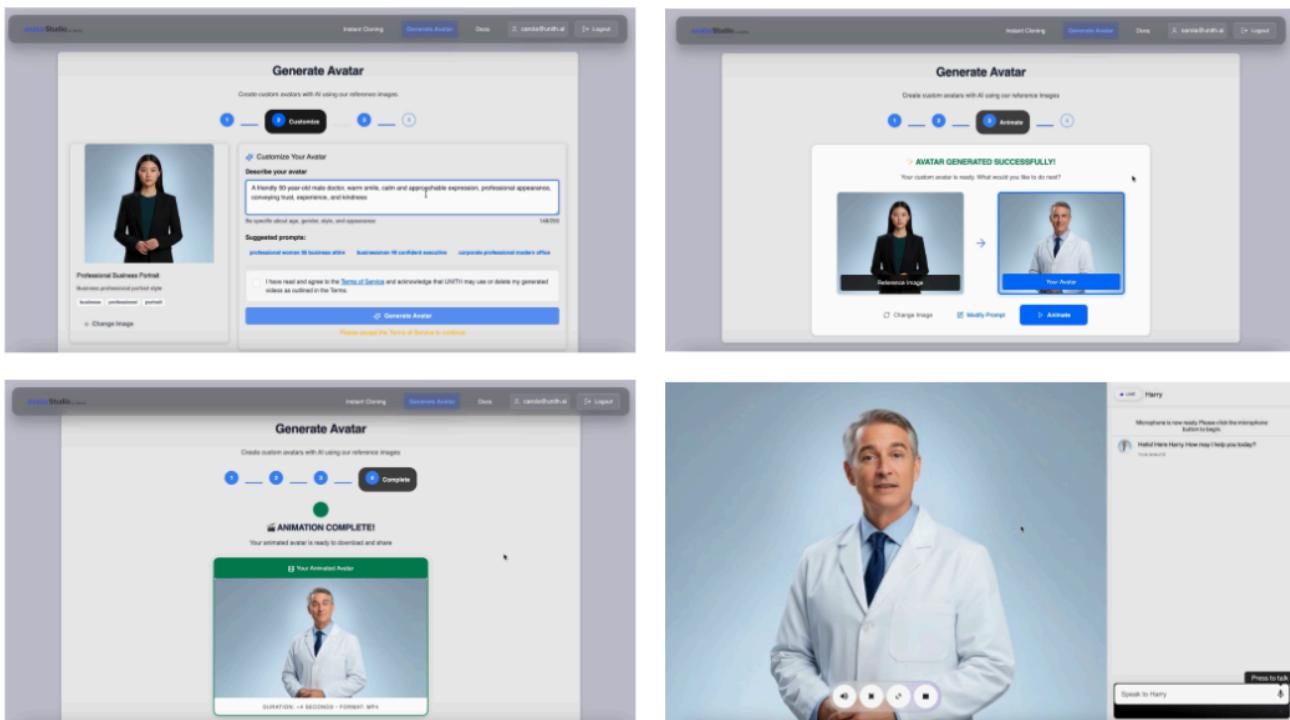
The streaming framework is currently live with selected customers across sectors including customer experience, education, healthcare, and entertainment. This alpha program is designed to validate the technology's potential for high-speed, scalable, and cost-efficient deployments.

Following continued successful validation with these early customers, UNITH anticipates expanding access in the coming quarter to support broader product and commercial adoption.

Avatar Studio:

UNITH has developed the capability to generate human-like avatars without the need for human subjects. This eliminates the common hurdle of sourcing a suitable face to begin new projects, significantly simplifying the process of acquiring Digital Human faces.

The avatar Studio is currently accessible to a select group of priority customers who are collaborating on its co-design. Furthermore, it is being assessed as a potential standalone product for general availability to all Unith customers.



Commenting on the Digital Human Division's performance during Q2 FY26, its General Manager Rakan Sleiman said:

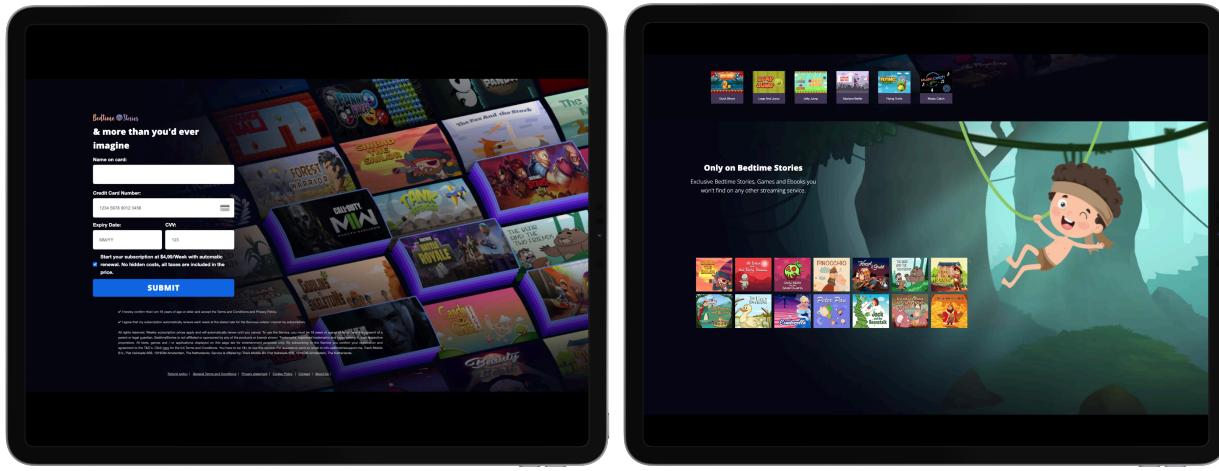
“Demand signals for conversational AI with a humanised interface strengthened during Q2, particularly from larger enterprises evaluating deployment across training and customer experience. We progressed multiple strategic opportunities and improved platform readiness through the alpha launch of proprietary Streaming technology, delivering a step-change in real-time responsiveness. Supported by customer validation and an expanding pipeline, our priority is converting these engagements into scalable, recurring licensing and usage-based revenue..”



UNITH B2C Division – Operational Update

During the December quarter, UNITH's B2C division continued to progress a number of strategic initiatives aimed at strengthening its commercial foundations, advancing platform developments to support future innovation, and exploring new revenue streams.

Extensive platform development work was undertaken during H1 to expand supported payment methods beyond telecom billing. Efforts have intensified to enable credit card payments, including support for Apple Pay and Google Pay, with commercial launch targeted for Q3. This capability is expected to broaden market accessibility, support higher value customer segments, and enable entry into new geographies.



“The Bedtime Stories” application offers children stories and games through a credit card subscription

Following the achievement of Google Partner status, the B2C division accelerated client onboarding within the Google Ads agency vertical. New clients were onboarded with campaigns planned across multiple regions, including the Middle East, Africa and Asia, supporting increased scale and geographic diversification of customer acquisition activity.

The division also expanded its mobile gaming footprint in South East Europe, securing telco approvals to launch additional mobile games products in Slovenia, Romania and Bulgaria. These approvals further strengthen UNITH's presence in established markets while providing a platform for continued regional growth.

In addition, UNITH gained telco approval in Bahrain to launch Article+, a mental wellbeing product offering personal and confidential consultations powered by UNITH's Digital Human platform. This approval supports the expansion of the Company's digital health and wellbeing offerings into the Middle East and reflects growing telco confidence in UNITH's platform enabled services.



Commenting on the B2C Division's performance during Q2 FY26, its General Manager Ivan Dumancic said:

"We commenced the year with a conservative approach to new customer acquisition, primarily driven by uncertainties associated with evolving regulatory frameworks across several markets and a focus on interim profitability.

As the year has progressed, we have identified several attractive European opportunities and are actively introducing new products into these promising markets. At the same time, we have undertaken substantial platform development to expand supported payment methods beyond telecom billing. This positions the B2C division to enter new markets and engage higher value customers, including in regions such as the United States or Australia."

Q2 FY26 Financial Update*

Operating Performance

- Cash receipts for Q2 FY26 were \$1.43 million, compared to \$1.225 million in Q2 FY25, representing a 17% increase.
- Cash receipts for HY26 totalled \$3 million, a 24% increase compared to HY25 (\$2.41 million).

Cash Flow

- Net cash operating outflows for Q2 FY26 were (\$0.242) million, including \$0.085 million in annual corporate and one-off costs.
- Net cash used in investing activities was (\$0.41) million, comprising investment in intellectual property, primarily related to software development.
- Net cash from financing activities totalled \$0.753 million, consisting of:
 - \$1.0 million received from unsecured funding (net of transaction costs);
 - (\$0.10) million applied to the repayment of lease liabilities in Amsterdam, which concludes Q3 FY 26.

Cost Outlook

The final quarterly cash rent payment was made in January 2026 for the Amsterdam Office. The lease ceases on 31 March 2026. The Company expects to benefit from a \$0.430 million per annum reduction in costs.

Cash Position

UNITH's cash balance was A\$1.40 million as at 31 December 2025.



Related Party Payments

Section 6 of Appendix 4C released today discloses payments to related parties of \$0.067 million, reflecting fees paid to directors for company secretary services during the quarter.

** All FY26 financial data is unaudited, unless stated otherwise.*

Corporate

Strategic Facility Supports Execution and Growth

Unith has secured a **\$1.0 million unsecured strategic facility**, enhancing the Company's liquidity position and providing additional financial flexibility to support ongoing platform execution, enterprise deployment and growth initiatives.

The facility is intended to support general working capital requirements and near-term operational priorities, while preserving strategic optionality as the Company continues to scale its AI and Digital Human platform across global enterprise and subscription markets.

Deep-Technology R&D Recognition in Spain

Unith's highly innovative software development activities have been **formally recognised as qualifying Research & Development under Spain's R&D tax incentive framework**. Certification under this framework represents a **notably high bar for software-based projects**, reflecting the technical sophistication, novelty and defensibility of the Company's proprietary AI and Digital Human platform.

This recognition differentiates Unith from standard technology development programs and provides independent validation of the Company's deep-technology capabilities within a rigorous European regulatory environment.

R&D Tax Refunds

Following this formal R&D recognition, Unith has received the **first instalment of Spanish R&D tax refunds (A\$215,000)**, delivering meaningful cash inflows to the Company. Additional instalments are expected to be received over the coming periods, subject to standard administrative processing and review timelines.

Unith's core strategy remains unchanged, with management focused on scaling its proprietary technology, expanding recurring revenues, deepening enterprise adoption and strengthening the Company's global footprint.

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

(ENDS)

About UNITH

Unith Ltd (ASX:UNT) is a technology company that specialises in **AI-driven digital human and conversation design solutions**. Its focus is the design, development, and deployment of interactive, artificial intelligence (AI)-powered, conversational agents that are realistic, multilingual and scalable. This technology, which can take the form of AI avatars, interacts in a lifelike manner and enhances business clients' customer engagement, education, and entertainment metrics. Unith is now successfully implementing a strategy to monetise its proprietary AI and digital human capabilities.

Unith also operates a growing business-to-consumer (B2C) subscription division, which leverages the value-add created by the company's digital human and conversation design solutions technology. This division, which utilises literally thousands of Unith-created digital humans, generates recurring revenue from clients through subscription models for their services or platforms. Driven by individual business client's requirements, Unith's subscriptions arm can offer a range of services, including access to specific functionalities, tools, or content related to digital humans and AI technology. These subscription services help Unith clients generate a steady income stream and develop long-lasting relationships with their customers.

To learn more, please visit: www.unith.ai/

Appendix 4C

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

Name of entity			
ABN		Quarter ended (“current quarter”)	
		31 December 2025	
Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1	Receipts from customers	1,433	3,001
1.2	Payments for		
	(a) research and development	(260)	(641)
	(b) product manufacturing and operating costs	(344)	(603)
	(c) advertising and marketing *	(597)	(960)
	(d) leased assets		
	(e) staff costs	(559)	(1,162)
	(f) administration and corporate costs	(125)	(423)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid	(4)	(8)
1.6	Income taxes paid		
1.7	Government grants and tax incentives (R&D)	215	215
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(242)	(581)
*includes in-house user acquisition costs tied to restructuring the B2C subscription division.			
2. Cash flows from investing activities			
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets	(414)	(835)

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		
	(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)		
2.6	Net cash from / (used in) investing activities	(414)	(835)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,674
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	100
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(109)
3.5	Proceeds from borrowings	1,000	1,000
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	(47)	(47)
3.8	Dividends paid		
3.9	Other (Amsterdam office lease and interest payments)	(197)	(304)
3.10	Net cash from / (used in) financing activities	753	2,314
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,277	449
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(242)	(581)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(414)	(835)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	753	2,314
4.5	Effect of movement in exchange rates on cash held	29	56
4.6	Cash and cash equivalents at end of period	1,403	1,403
5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,403	1,403
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,403	1,403
6.	Payments to related parties of the entity and their associates	Current quarter \$A'000	
6.1	Aggregate amount of payments to related parties and their associates included in item 1		67
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>			

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>			
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	1,000	1,000
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	1,000	1,000
7.5	Unused financing facilities available at quarter end		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. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(242)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,403
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	1,403
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.8
	<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 2026

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.