

ÜNITH Progress Update and market positioning

Key Highlights

- ÜNITH continues to position itself to benefit from ongoing rapid growth across the still evolving Digital Human and Generative AI market segments.
- ÜNITH continues to assess potential corporate and strategic opportunities.
- ÜNITH successfully completes the internal audit as well as Stage 1 and 2 of the external audit for its ISO certification.
- Recent platform advances, headed by the general availability launch of Streaming Avatars, deliver core improvements and positive commercial impacts.
- Streaming Avatars is the foundation on which the next phase of interaction quality will be realised.
- Streaming Avatars has already directly supported acquisition and expansion across key customers, aligning the Company with larger, more strategic accounts.
- ÜNITH leverages multiple frontier AI models to generate a new library of avatars that allow clients to create avatars more aligned to their exact-use case.
- ÜNITH's B2C division benefits from ongoing platform development, including introduction of infrastructure to support Streaming Avatars across its platform.

Unith Ltd (ASX: UNT | FWB: CM3) (“ÜNITH” or the “Company”) is pleased to announce further progress in the Company's efforts to ensure it is strategically positioned to capitalise on the rapid expansion of both the Digital Human and Generative AI market segments. As enterprises move beyond experimenting with AI tools and toward deploying AI systems that deliver real operational outcomes, ÜNITH is building the interface and workflow layer that enables this transition.

Recent platform progress, including the general availability of Streaming Avatars, marks an important step in making ÜNITH's Digital Humans product offering more responsive, usable, and commercially valuable in real-world enterprise settings. These advances are already supporting customer traction in training, role-play, support, and other high-engagement use cases.

At the same time, the Company is investing in next-generation avatar fidelity and nearing completion of ISO certification, further strengthening its ability to serve larger enterprise and institutional customers. Together, these initiatives do much more than just position ÜNITH as an AI software provider. They deliver ÜNITH an AI-native platform that enables enterprises to deliver services, workflows, and interactions through Digital Humans.



Market Opportunity and Strategic Positioning

UNITH continues to position itself to capture value in the rapidly evolving Digital Human and Generative AI market segments.

The current value of the Conversational and Interactive Digital Humans market is estimated at US\$7–10 billion today. While growth projections over coming years vary dependent on market definition and scope assumptions, they point to potential rapid expansion, with Precedence Research¹ forecasting AI Avatars to be valued at US\$118.55 billion by 2034, while Grand View Research² expects Digital Avatars to be valued at US\$270.61 billion by 2030.

In parallel, the Generative AI market continues to grow rapidly, reinforcing a broader industry shift, where value is increasingly captured not just by access to AI models, but by effective deployment of those models in real-world enterprise workflows.

As highlighted in a recent Sequoia report ³, the next generation of AI leaders is likely to capture services and labour budgets, not just software budgets. UNITH believes this is a significant strategic insight for its business. Rather than acting solely as a software tool, UNITH’s Digital Humans provide an AI-native service delivery layer through which enterprises can operationalise AI in training, customer engagement, onboarding, coaching, and other structured conversational workflows.

This positioning is important because, in many use cases, the key barrier to enterprise AI adoption is not model capability itself, but trust, usability, and workflow integration. UNITH’s Digital Humans address this gap by delivering AI through a humanised, interactive interface that improves engagement, supports more natural communication, and increases confidence in high-trust environments. As underlying foundation models continue to improve, UNITH expects its platform to become faster, more capable, and more valuable to customers.

Over time, this creates the opportunity for UNITH to expand beyond software enablement and into outcome-oriented deployments that address larger enterprise service budgets.

¹ Precedence Research

² Grand View Research

³ Sequoia “Services: The New Software,”



Potential corporate and Strategic Opportunities

As announced on 29th December “Unith Strengthens Funding Position”, part of the use of funds were to assess corporate and strategic opportunities that could complement the existing business, deliver top line growth whilst raising the profit profile of the Company. Unith looks forward to updating the market in accordance with its continuous disclosure obligations.

Pipeline and Enterprise Growth Momentum

The streaming capability has directly supported acquisition and expansion across several strategic customers, aligning the Company with larger, more strategic accounts dependent on compliance and repeatability.

Key Opportunities that streaming technology is unlocking:

Customer Expansions:

- a. Structuring Scalable Commercial Training. Unith has been selected following a rigorous due diligence process to be a preferred vendor for Digital Human solutions for **Takeda Pharmaceutical Company**. The use of Digital Humans is currently being explored for role-play-based training experiences reproducing real-life situations. The solution relies on AI-powered avatars to simulate interactions in a controlled and repeatable environment.
- b. Developing New Engagement Models. **Persona Entertainment** aims to strengthen relationships between public figures and their audiences through personalised interactions. Unith enables the creation of digital twins replicating the appearance, knowledge, and communication style of influencers, artists, and public figures. The project involves custom developments and new features adapted to the entertainment and AI sectors. Initial deployments support a growth strategy targeting broader European and US market.
- c. Delivering Social Care Solutions for HIV treatment and prevention. **Alliance for Public Health** are expanding their usage of Digital Humans to three new markets with the upcoming launch of TWIIN in Tajikistan, Kazakhstan and Georgia. Further projects are also currently being explored to penetrate further across emerging and less accessible markets.
- d. Optimising Training Delivery Models. For **bioMérieux**, the focus is on reducing the cost and complexity of traditional training programs. Unith provides a conversational training solution based on AI avatars, enabling teams to simulate commercial interactions without requiring physical trainers. Deployment began in Spain in early 2026 with the opportunity to expand across other markets and



additional departments. Anticipated impacts include cost optimisation, improved accessibility of training, and more scalable deployment across regions.

- e. **Enabling Scalable Consumer Experiences.** **VasTools** develops large-scale B2C experiences distributed through telecom operators. The objective is to offer more interactive and engaging digital formats to end users. Unith supports this strategy by providing conversational, avatar-based experiences integrated into existing distribution channels. The partnership is structured as an annual contract, with ongoing collaboration on new product developments.
- f. **Supporting Omnichannel Brand Engagement.** **StudioV** works with international brands to design digital and physical engagement experiences. Unith has been selected to deploy conversational avatars across physical kiosks at medical congresses, as well as web and mobile platforms for healthcare clients. The solution combines photorealistic rendering with secure data infrastructure, addressing the requirements of regulated environments. The partnership is structured as a long-term engagement, with deployment across multiple regions in South America.
- g. **Digitising Organisational Assessment.** **Interchange** supports organisations in assessing culture and performance through surveys and qualitative analysis. The objective is to improve both efficiency and engagement in data collection processes. Unith enables the transition from static surveys to conversational interfaces powered by AI avatars. These interactions allow more dynamic exchanges and richer qualitative insights. The solution is being deployed across consulting engagements, with expected impacts including reduced operational costs, increased participation rates, and improved quality of collected insights.

Qualified, Late Stage Pipeline:

- a. Contracting phase of a late-stage government customer in a Southeast Asian territory for a multi-year agreement potentially worth A\$700,000, with the prospective customer scheduled to visit our offices in the first week of April 2026 to finalise payment terms for a multilingual Digital Human solution supporting national police training in difficult simulated conversations.
- b. A pilot has launched with an AR product visualisation platform that enhances the purchase journey through immersive mobile experiences, with potential for significant conversation volume at scale.
- c. A new enterprise client is scheduled to start in April 2026, beginning with a modest initial budget and clear expansion potential. The first phase focuses on internal role-playing use cases, with a path to broader deployment across a large end-customer base. The client brings strong relevance in CX, digital transformation, and AI-enabled business services, which could support meaningful long-term upside.

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- d. An ex-Soul Machines client is currently undergoing a controlled trial on our platform with the objective of scaling Digital Humans for medical use cases, across North America.
- e. A controlled trial is underway with an immersive learning and simulation provider that combines AI, immersive interaction, and behavioral science across training and assessment use cases. The initial focus is on building university training applications, which could open a broader education-sector opportunity if the pilot converts.

Recent UNITH Platform Advancements

General Availability of Streaming Avatars

The **general availability launch of Streaming Avatars** represents a key operational and commercial milestone.

- **Core Improvement:** This release directly addresses persistent customer feedback regarding responsiveness and conversational flow by achieving **dramatically reduced latency**.
- **Commercial Impact:** Digital Humans are now substantially more usable in live interactions, particularly in critical role-play, training, and customer-facing scenarios where precise timing and the ability to manage interruptions are essential. This improvement is expected to drive higher adoption across existing deployments and materially support both **new sales conversion** and **customer satisfaction**.

Product Roadmap: Improved Interactivity

Streaming Avatars serve as the technological foundation for the next phase of interaction quality.

- **Near-Term Feature: Interruption Management:** Leveraging reliable streaming at scale, UNITH has introduced an **always-on microphone experience** to enable significantly more natural and human-like interruption handling.
- **Further Enhancements:** This foundation unlocks subsequent improvements, including:
 - **Improved interruption management** (enhanced turn-taking, barge-in handling, faster recovery).
 - **Better gesture management** (more natural timing and reduced latency in non-verbal communication).
 - **More consistent experience at scale** and greater **operational efficiency**.



Growing Avatar Library:

ÜNITH is now leveraging a multitude of frontier AI models to generate a new library of avatars that allow customers to tailor their avatars to their exact use case, further increasing the affinity of users to their AI personas.



An ever-expanding library of AI generated Digital Human Avatars now available as a service to business tier customers.

State-of-the-Art Avatar Fidelity Initiative

To meet rising market expectations driven by advances in video generation technology, ÜNITH has launched a critical three-month research and development initiative focused on introducing a fundamental step change in the quality of its Digital Human avatars.

- **Objective:** To achieve a substantial increase in visual quality and realism for conversational digital humans on the ÜNITH platform.
- **Key Research Areas:** The project is exploring state-of-the-art (SoTA) methods, including **3D Gaussian Splatting (3DGS)**, Diffusion, and Interactive Models, with 3DGS noted as the most promising for generating next-generation avatars.
- **Target Technical Hurdles:**
 - Achieving **real-time** driving of 3DMM models using speech.
 - Enhancing **Visual Quality** and **Expressiveness**.
 - Reducing **Latency** for a more natural conversational experience.
 - Enabling **Full Body** generation, moving beyond current head/torso limits.

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A Fully AI rendered clone of UNITH GM, Rakan Sleiman, in real-time video using state of the art technology being actively researched and developed.

Operational Readiness and Compliance

To support penetration into larger enterprise accounts where procurement and compliance are gating factors, UNITH is progressing with its enterprise readiness program.

ISO Certification: The Company has **successfully completed the internal audit and now Stage 1 and 2 of the external audit for ISO certification.** The Company had no major non-conformities and is now awaiting final review and report (which will take 2-4 weeks). The successful completion of this certification is a critical step in supporting larger, compliance-driven customer opportunities.

UNITH B2C Division Update

The B2C division has continued to benefit from ongoing platform development led by UNITH’s B2B product team. A major focus over the March 2026 quarter has been the introduction of infrastructure to support Streaming Avatars across the platform. These improvements significantly reduce latency and improve conversational responsiveness. The enhanced streaming architecture establishes the foundation required for more responsive and real-time conversational experiences across future applications.

The expanded underlying avatar generation capabilities increase the ability to tailor digital humans to specific contexts and audiences. For the B2C division, this expanded avatar capability provides greater flexibility in designing consumer-facing experiences and supports stronger alignment between AI personas and user expectations. These new avatars are already being incorporated into B2C application updates and are now available to users. The improved range and quality of avatars allow the apps to present more diverse and engaging digital personas, improving user affinity and the overall quality of the experience.

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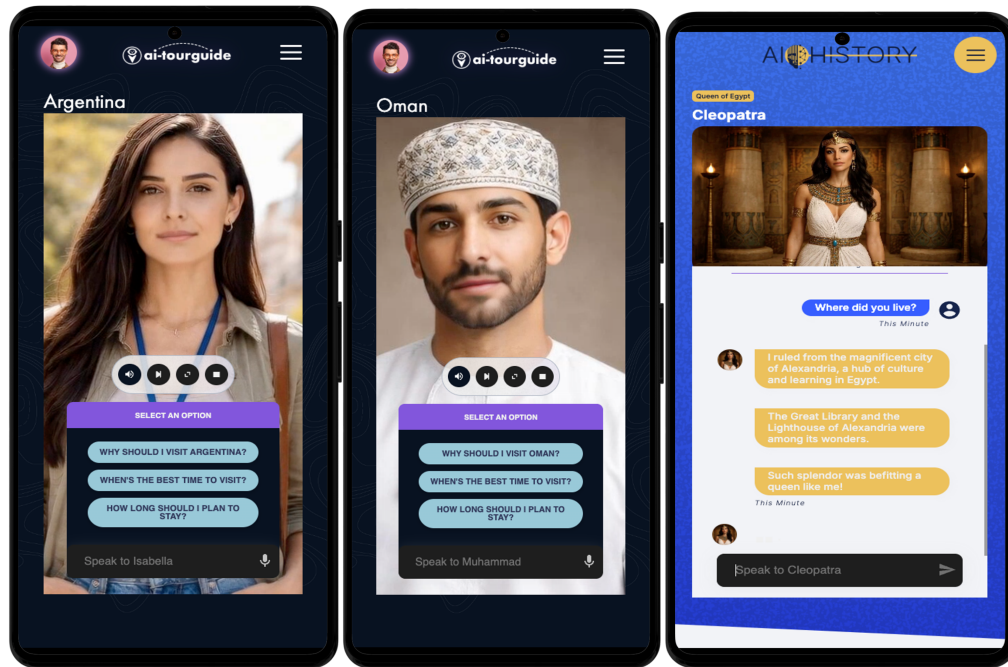
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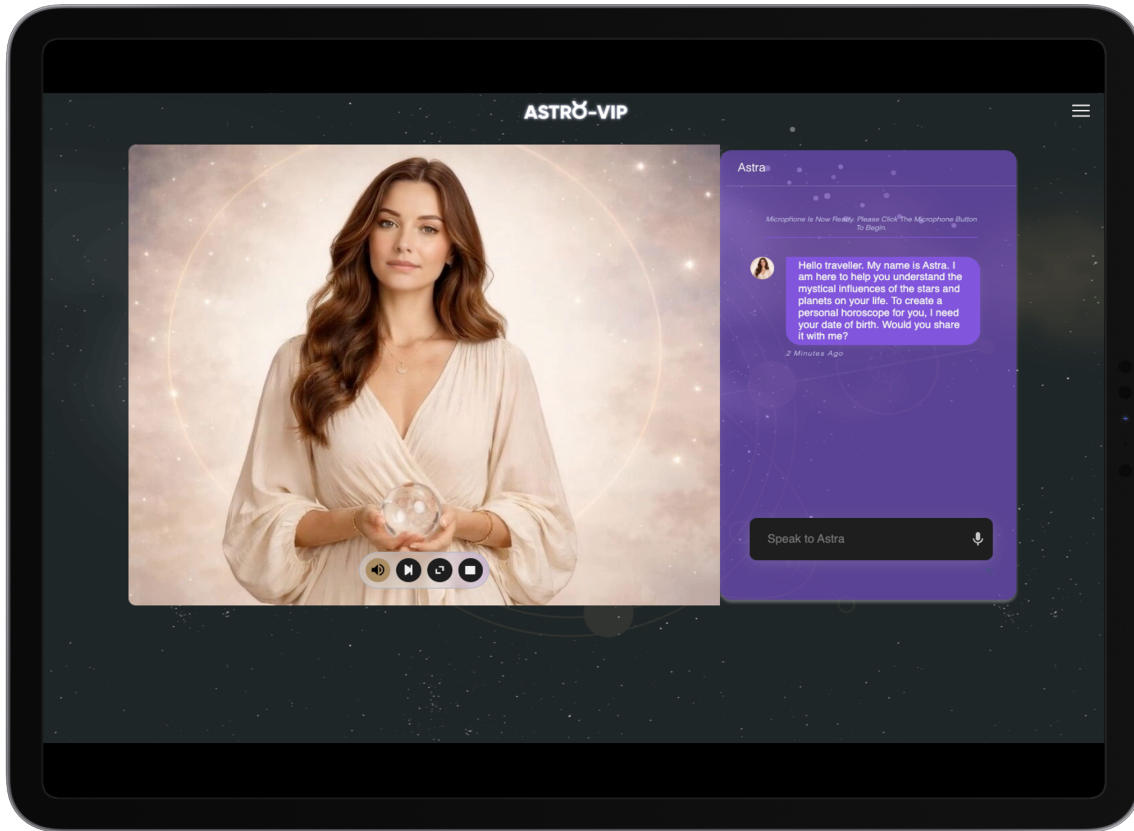
Image: New avatars in B2C apps



The new generation avatars also enable a noticeably improved experience on larger screens. Higher visual fidelity and improved rendering quality allow the avatars to maintain realism and clarity when displayed at larger sizes on tablets, desktops, and other large-format devices. This supports more immersive interactions and ensures that the digital humans remain visually compelling across a wider range of devices used by B2C users.



Image: Interaction with a new avatar within the B2C Astrology app



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

(ENDS)

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About ÜNITH

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. ÜNITH is now successfully implementing a strategy to monetise its proprietary AI and digital human capabilities.

ÜNITH 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 ÜNITH -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 ÜNITH clients generate a steady income stream and develop long-lasting relationships with their customers.

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

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