ASX Announcement
30 October 2026

ÜNITH

Quarterly Activities Report – 30 September 2026

Q1 FY27 Operational Highlights

- Alpha release of DEVA-1, the Company's new state-of-the-art visual synthesis AI model, representing a complete overhaul of the synthesiser component within the Digital Human platform.
- DEVA-1 capabilities include single-image/video avatar generation, real-time streaming driven by speech tone, improved facial and head movement, and latency optimised for real-time conversational applications.
- Alpha testing conducted with eight selected customers, with feedback confirming DEVA-1 as a significant technological advance over the current solution. Several partners indicated interest in migrating deployments to the DEVA-1 architecture.
- Alpha testing conducted with eight selected customers, with feedback confirming DEVA-1 as a significant technological advance over the current solution. Several partners indicated interest in migrating deployments to the DEVA-1 architecture.
- DEVA-1 full production rollout expected by end of calendar year 2026, preceded by an Q2 beta release program.
- The Company continues to progress organic growth initiatives across both its Digital Humans and B2C divisions.

Q1 FY27 Financial Highlights

- Placement completed, raising $1.0 million (gross proceeds) via the issue of 125,000,000 new fully paid ordinary shares and 62,500,000 free-attaching listed options to institutional, sophisticated and professional investors at $0.008 per share.
- Non-renounceable entitlement offer (1 for 7 basis) closed on 28 August 2026, raising $295,725 from acceptances for 36,965,637 shares and 18,482,840 options.
- $500,000 of the existing debt facility converted to equity through the issue of 62,500,000 fully paid ordinary shares.
- Remaining $1.5 million secured debt facility extended from 31 October 2026 to 30 April 2027.
- Directors reserved the right to place the remaining shortfall of $1.135m by the 28 November 2026.
- Cash receipts $0.98m was received for Q1 FY 2027, with a further $0.187m received in the first week of October 2026.
- FY 2024 final R&D installment of A$0.292m was received post the quarter and is not included in the Q1 cash balance.
- Accounts receivable & accrued income as at 30 September totalled $1m.
- The Company has applied for an extension for the Annual General Meeting with ASIC, as it continues to assess a corporate and strategic opportunity that complements the existing business.

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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 30 September 2026 (Q1 FY27).

UNITH DIGITAL HUMAN DIVISION

Market Positioning and Growth Strategy

During Q1 FY27, UNITH continued its strategic transition from a self-service Digital Human software provider toward an Enterprise AI Enablement Platform, targeting higher-value opportunities across mid-market and enterprise customers.

The Company's commercial strategy increasingly focuses on organisations seeking to move beyond initial AI pilot programmes and integrate conversational AI into established business operations. Priority applications include employee training, onboarding, human resources and customer experience, where high-value, repeatable interactions provide opportunities for scalable platform utilisation.

UNITH's enterprise offering combines its proprietary Digital Human technology with implementation support, business system integrations and ongoing optimisation. Its platform and usage-based pricing model is designed to support customer adoption and create opportunities for recurring revenue as deployments scale.

This approach represents a shift toward larger enterprise relationships, with the objective of increasing average contract values, expanding platform utilisation and establishing a more scalable commercial revenue model.

The Company's next-generation DEVA-1 technology remains central to this strategy, supporting the development of more realistic, responsive and commercially deployable Digital Human experiences.

Commercial Highlights

During the quarter, UNITH progressed its enterprise commercial strategy, securing new customer engagements and advancing commercial opportunities across priority industry verticals.

The Company refined its ideal customer profile to prioritise mid-market and enterprise organisations with established operational requirements and opportunities for high-volume conversational AI deployment.

To support commercial expansion, UNITH launched targeted digital advertising and account-based outbound sales programmes. To further this, post-quarter close, the Company has complemented this by the engagement of a specialist B2B SaaS marketing agency (to run throughout Q2). These initiatives are intended to strengthen customer acquisition, validate market demand and support commercial expansion across international markets.

The Company also advanced its digital presence through search engine optimisation, improvements to AI-assisted search visibility and targeted brand development activities designed to increase awareness among enterprise decision-makers.

Collectively, these initiatives support the establishment of a more repeatable customer acquisition model, with an increased focus on higher-value deployments and longer-term commercial relationships.

Platform Licensing and Revenue Attribution

During the quarter, UNITH commenced implementing an internal licensing framework between its Digital Humans and B2C divisions.

The framework is designed to provide greater visibility into the commercial contribution of the Digital Humans platform to the Company's consumer-facing applications, alongside revenue generated through external customer licensing.

This approach will enable the Company to more clearly assess platform utilisation and divisional performance as its technology is deployed across both enterprise and consumer applications.

Strategic Partnerships

UNITH continued to leverage its established relationships within Barcelona's business, technology and research ecosystem to support enterprise market engagement, commercial collaboration and product innovation.

The Company's memberships with Barcelona Global and Tech Barcelona provide access to corporate networks, prospective technology partners and opportunities for engagement across priority sectors.

UNITH also maintained its research and development partnership with Eurecat, focused on exploring next-generation Digital Human capabilities, including improvements in avatar emotional expressiveness.

The first proposed collaborative research project is expected to be approximately 75% grant-funded, subject to the relevant funding approvals, providing an opportunity to advance selected development initiatives with reduced direct funding requirements.

These relationships support the Company's broader strategy of expanding enterprise market access while strengthening its proprietary technology capabilities.

Team and Commercial Execution

During Q1 FY27, UNITH strengthened its go-to-market capabilities through the appointment of a new marketing lead, supporting the Company's enterprise positioning and customer acquisition strategy.

Following quarter-end, the Company also initiated changes to its sales structure, including the creation of a dedicated Account Executive role to support management of enterprise opportunities throughout the sales cycle.

These initiatives are intended to improve alignment between marketing and sales activities, strengthen commercial execution and support the conversion of customer opportunities into contracted deployments.

Product and Technology Update

During Q1 FY27, UNITH made progress across its Digital Human technology platform, focusing on the development of its next-generation DEVA-1 model, improved real-time conversational performance and infrastructure optimisation.

These initiatives are intended to enhance the quality and responsiveness of Digital Human interactions while supporting the scalability, reliability and operating efficiency required for broader enterprise deployment.

DEVA-1 Development and Customer Testing

The Company completed the alpha release of DEVA-1, its next-generation visual synthesis AI model, representing a significant advancement in the core avatar generation capabilities of the Digital Human platform.

The release incorporates photorealistic avatar synthesis, improved facial and head movements, more natural eye-gaze alignment and hardware-accelerated rendering optimised for real-time conversational applications.

Alpha testing was conducted with eight selected customers during the quarter, generating positive feedback on the improvements in avatar realism and expressiveness. Several partners also expressed interest in migrating existing deployments to the DEVA-1 architecture.

Development remains focused on progressing DEVA-1 toward broader commercial availability, with a beta release programme planned for Q2 FY27 and full production rollout targeted by the end of calendar year 2026.

Platform Performance and Enterprise Readiness

UNITH continued to improve real-time conversational performance through enhancements to its streaming and speech synthesis architecture.

These developments enable Digital Humans to begin generating speech alongside real-time text responses, reducing delays and supporting more natural conversational interactions.

The Company also enhanced its customer onboarding and integration capabilities, including automated trial provisioning, improved authentication workflows and streamlined developer access.

Additional platform improvements strengthened integration resilience and the handling of third-party service disruptions, supporting more reliable enterprise deployments.

Infrastructure, Security and Operating Efficiency

During the quarter, UNITH completed the consolidation of its core hosting infrastructure into a single European region, streamlining platform operations and supporting more efficient infrastructure management.

The Company also strengthened security and data management capabilities through enhanced access controls, automated data deletion workflows and improved protections across authentication and infrastructure systems.

Infrastructure optimisation initiatives included improvements to resource auto-scaling, application lifecycle management and the retirement of legacy systems.

These measures are designed to reduce recurring infrastructure costs, improve operational efficiency and support the platform's ability to scale as customer utilisation increases.

Digital Humans Strategic Outlook

UNITH's near-term priorities remain focused on translating its enterprise repositioning and technology development into measurable commercial outcomes.

The Company will continue to prioritise customer acquisition, the progression of enterprise opportunities toward contracted deployments and the development of strategic commercial partnerships.

From a product perspective, UNITH will focus on advancing DEVA-1 toward full production release, expanding real-time conversational capabilities and strengthening platform integrations to support broader enterprise adoption.

The introduction of internal platform licensing between the Digital Humans and B2C divisions is also expected to provide greater visibility into the commercial contribution and utilisation of the Company's proprietary technology across its operations.

Together, these initiatives are intended to establish a scalable commercial model built around higher-value enterprise deployments, increased platform utilisation and recurring revenue opportunities.

UNITH B2C DIVISION

During Q1 FY27, UNITH's B2C division continued to expand the commercial application of its proprietary Digital Human technology, with a focus on new products, markets and direct-to-consumer monetisation opportunities.

A key initiative during the quarter was the rollout of the **AI History** application in **Australia**, marking an important step in bringing the Company's Digital Human technology to a developed, English-speaking market. The service has been localised for Australian consumers, including interactive experiences featuring Australian historical figures, alongside internationally recognised personalities and events from world history.

AI History is designed to make learning about history more engaging and accessible by allowing users to interact directly with AI-powered Digital Human historical figures. The Australian offering is positioned around the country's strong interest in its own history and cultural heritage, while providing a broader interactive learning experience for families, students and general consumers.

The service is offered on a A$9.99 per week subscription, with a 24-hour free trial to encourage customer adoption. Customers can subscribe using **credit cards, Apple Pay and Google Pay**, providing a simple direct-to-consumer payment experience. https://au.ai-history.com/pre/history_trial



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UNITH plans to support the Australian launch through its **in-house Google Ads capability**, leveraging the Company's existing expertise in performance marketing and customer acquisition. This provides the B2C division with the ability to test and optimise customer acquisition at scale while retaining control over the marketing funnel and associated data.

Australia represents an attractive market for the Company to demonstrate the broader consumer potential of its Digital Human technology. With a large digitally engaged population and a strong appetite for accessible educational and entertainment content, a successful Australian rollout could provide a platform for further localised products and expansion into other English-speaking and developed markets.

The launch also provides an opportunity for UNITH to demonstrate how its Digital Human platform can be adapted to local markets and cultural interests, supporting the Company's broader strategy of developing scalable consumer applications while creating additional opportunities for licensing, white-label distribution and strategic partnerships.

During the quarter, B2C revenue was impacted by foreign exchange movements and a more selective approach to customer acquisition expenditure across certain international markets.

In particular, adverse foreign exchange movements, including fluctuations in the US dollar, placed pressure on profitability across certain international markets, particularly in the Middle East. These currency dynamics negatively affected customer acquisition economics and marketing returns, prompting a more cautious approach to investment in the affected markets.

In response, UNITH proactively reduced marketing investment in markets where foreign exchange conditions adversely affected acquisition economics, prioritizing capital efficiency and sustainable returns over short-term revenue growth. While this disciplined approach contributed to lower revenue during the quarter, it was designed to protect operating margins, limit exposure to less profitable acquisition channels and preserve resources for higher-return opportunities.

The division continues to monitor currency movements and market-level profitability, with the flexibility to progressively increase marketing investment as commercial conditions improve, while pursuing new revenue opportunities in other regions.

Q1 FY27 Financial Update

R&D Tax Refunds

Unith has received, subsequent to period end **the final instalment for FY 2024 of the Spanish R&D tax refund of Euro 184,368 (A$292,500),** 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.

Capital Raising

During Q1 FY27, the Company undertook a series of capital raising and balance sheet management activities to fund ongoing platform development, commercial expansion and working capital requirements.

Placement

On 16 July 2026, the Company announced binding commitments to raise $1.0 million (gross proceeds) via a placement of 125,000,000 new fully paid ordinary shares at $0.008 per share to institutional, sophisticated and professional investors. The placement included one free-attaching listed option for every two placement shares (62,500,000 options), exercisable at $0.013 and expiring 31 December 2028.

The offer price represented a 27.27% discount to the closing price of $0.011 on 13 July 2026. The 15-day and 30-day volume weighted average prices at close of trading on 13 July 2026 were $0.0104 and $0.0098 respectively.

Placement shares and options were issued utilising the Company's capacity under ASX Listing Rules 7.1A and 7.1 respectively. GBA Capital Pty Ltd acted as Lead Manager.

Non-Renounceable Entitlement Offer

The Company offered eligible shareholders the opportunity to subscribe for one new share for every seven shares held at an issue price of $0.008 per share, together with one free-attaching listed option for every two new shares issued. A prospectus was lodged with ASIC on 20 July 2026.

The entitlement offer closed on 28 August 2026, with 218,938,469 shares and 109,469,235 options on offer. The Company received acceptances for 36,965,637 shares and 18,482,840 options, raising $295,725. Members of the Company's board and executive management took up their full entitlements.

A shortfall of 141,971,833 shares and 70,986,416 options remained. The Directors reserved the right to place the shortfall of $1.135m by the 28 November 2026.

Debt Conversion

The Company converted $500,000 of the existing $2.0 million secured debt facility into equity through the issue of 62,500,000 fully paid ordinary shares under ASX Listing Rule 7.1. A further 31,250,000 listed options are to be issued subject to shareholder approval.

Shortfall Participation

On 21 September 2026, the Company announced that the Lender and GBA Capital (or its nominee) had participated $320,000 in the entitlement offer shortfall by waiving their fees. This participation represented a 60% premium to the last closing price on 18 September 2026. The Company is working with GBA Capital to place the remaining shortfall.

Related Party Payments

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

Loan Facility Extension

On 21 September 2026, the Company announced that the maturity date for its remaining $1.5 million secured debt facility had been extended from 31 October 2026 to 30 April 2027. Under the extension terms, the Company will:

- Make an interest payment of $105,000 for the six months to 30 April 2027; and
- Pay a 2% management fee to be capitalised to the debt facility.

The key terms of the facility, following the $500,000 debt conversion and subsequent extension, are summarised below:

Item	Details
Principal Amount	$1,500,000
Term	30 April 2027
Interest	14% p.a.
Ranking	Secured, excluding shares in Uneeq Ltd and Aflorithmic Labs Limited (trading as Audiostack)
Lender	Whitehall Capital Holdings Pty Ltd (formerly GAM Company Pty Ltd)

Extension of Annual General Meeting and Strategic Opportunities

The Company has applied for an extension of the Annual General Meeting with ASIC, as it continues to assess a corporate and strategic opportunity that complements the existing business and simultaneously deliver top-line growth plus an enhanced profit profile. In accordance with its continuous disclosure obligations, the Company will update the market on any inorganic growth-related developments as they materialise.

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

(ENDS)

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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	
Unith Ltd	
ABN	**Quarter ended ("current quarter")**
13 083 160 909	30 September 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	982	982
1.2	Payments for		
	(a) research and development	(323)	(323)
	(b) product manufacturing and operating costs	(298)	(298)
	(c) advertising and marketing *	(205)	(205)
	(d) leased assets		
	(e) staff costs	(523)	(523)
	(f) administration and corporate costs	(293)	(293)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(659)**	**(659)**

*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	(393)	(393)
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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**	**(393)**	**(393)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,296	1,296
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(101)	(101)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Amsterdam office lease)		
3.10	**Net cash from / (used in) financing activities**	**1,195**	**1,195**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	450	450
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(659)	(659)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(393)	(393)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,195	1,195
4.5	Effect of movement in exchange rates on cash held	(12)	(12)
4.6	**Cash and cash equivalents at end of period**	**581**	**581**

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	581	450
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)**	**581**	**450**

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	133
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

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.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	1,500	1,500
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	1,500	1,500

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.

Lender: Whitehall Capital Holdings Ltd (formerly GAM Company Pty Ltd)
Interest: 14%
Secured
Matures – 30 April 2027

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(659)
8.2	Cash and cash equivalents at quarter end (item 4.6)	581
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	581
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.9

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.

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: Yes

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: The Company currently has the ability to place the shortfall of the rights issue amounting to approx. $1.135m.

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: Yes as above.	

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.

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 October 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.