

**Genius Group**  
**Full Year 2022 Financial Results**  
**June 6, 2023**

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**Presenters**

**Flora Hewitt – VP of Investor Relations and Mergers & Acquisitions**  
**Rogert Hamilton, Chief Executive Officer**  
**Erez Simha, Chief Financial Officer**

**Q&A Participants**

**Hunter Diamond - Diamond Equity**

**Operator**

Greetings, welcome to the Genius Group, full-year 2022 financial results. At this time, all participants are in a listen-only mode. A question and answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press \* 0 on your telephone keypad.

I will now turn the conference over to your host, Flora Hewitt, Vice President of Investor Relations, Mergers and Acquisitions. You may begin.

**Flora Hewitt**

Hi, everyone and thank you for joining our full-year 2022 earnings conference call. With me today is Roger Hamilton, Genius Group's Chief Executive Officer and Erez Simha, our Chief Financial Officer.

Following the prepared remarks, we will open the call for questions. Our press release, including financial tables, was issued post-market closing and is posted on our investor relations website, located on [investorrelations.geniusgroup.net](http://investorrelations.geniusgroup.net), where this call is being simultaneously webcast, and where versions of our prepared remarks and supplemental slides are available.

During this call, we will present both IFRS and non-IFRS financial measures. Please note that all gross percentages refer to year-on-year change, unless otherwise specified. Additionally, all statements made during this call relating to future results and events are forward-looking statements, based on our expectations. The forward-looking statements include, but are not limited to statements regarding trends and that may potentially impact on our industry and our business, our ecosystem, platform, content, and partner relationship, our strategy and priorities, and our business model, mission, opportunities, outlook, and long-term financial framework.

Actual results and events could differ materially from projections, due to a number of risks and uncertainties discussed in our press release, SEC filings, and supplemental materials. These forward-looking statements are not guarantees of future performance and plans, and investors

should not place undue reliance on them. We assume no obligation to update our forward-looking statements.

With that, I'd like to turn it over to Roger.

**Roger Hamilton**

Thank you, Flora. And good morning, everyone. For -- or good evening, wherever you are. First, I'd like to apologize for the delay in the releasing our full-year results. Due to the complexity of our accounting treatments to write down the value our recent acquisitions, to align with our low share price and market cap in December 2022, our order took longer than planned, and this is the reason for the delay.

However, our CFO, Erez Simha, will provide more details on this, following my business summary. Genius Group has had a great year and we're excited to share the results with you today. I'm going to start with a quick recap of the year and we have come a long way since the IPO in April 2022. We have established a strong leadership team, with Erez Simha as our Chief Financial Officer, and Rav Kawal as our Chief Revenue Officer.

We've also got Richard Berman and Tim Murphy joining as new directors. And these individuals bring a wide range of diversified, corporate experience, which helped drive the growth of our business last year. And this continues in 2023. We have completed five acquisitions -- the University of Atro Dali (ph), Property Investor's Network, Education Angels, E-Squared, and Revealed Films. And we're in the process of integrating them into the Genius Group family and will add their curriculum onto GeniusU.

In 2022, GeniusU was named as top 10 emerging giant in one of KPMG's reports. And we've signed a partnership with NASA as a sisters with UAB (ph). And we also are -- gave details about each of these (inaudible) in our previous earning calls. So I invite you all to listen to our archive recordings for more information. Our achievements translate directly into the growth of students and partners that are joining our platform.

First, let's focus on GeniusU. GeniusU increased in total numbers of students, from 2.7 million in 2021 to 3.1 million in 2022, which represents a 70% growth, year-on-year, and an average of 8,500 students joining the GeniusU platform each week in 2022. We're seeing growth in number of students on GeniusU in the range of 10 to 20% per year. And this growth is primarily due to three factors -- organic growth through word of mouth and referrals, partners in our acquisitions attracting new students, and direct growth from paid, digital advertising.

We have historically spent a lower amount on advertising, as we have relied on word-of-mouth referrals and partners, but we plan on increasing marketing spend in the next few years to accelerate growth. GeniusU operates on a freemium model, where the majority of students receive free education, from which a percent opt in to upgrade to paying students. Of our 3.1

student -- our 3.1 million students on GeniusU in 2022, 3.06 million were free students and 43,000 were paying students.

In comparison, GeniusU had 37,000 paying students in 2021, which implies a 15% growth in paying students, year-on-year. It also means that in 2022 GeniusU attracted 444,290 new students and 5,755 new paying students, representing a 1.3% conversion rate. In comparison, after the conversion rate from 2019 to 2021, was closer to 1%. This increase in conversion rate reflects improved marketing services and the growing strength of our sales team.

We expect the improvement in conversion rate to be an important factor in the growth of paying students in the years to come. Overall, proforma numbers for the group, including the acquisitions, reflected a 58% growth in total students and users in 2022, compared to 2021, with paying students and users growing by 137% in 2022, to 171,919 paying students. As we integrate the acquisitions, we're introducing our GeniusU freemium model into their student populaces, as we introduce free courses and our student conversion model to the three acquisitions that have a more traditional education model.

These are UAV, Education Angels, and E-Squared. Currently, these three companies rely on enrollment directly into a full-time, paid service, or course, and as a result, they have a much lower student numbers, at present. With this integration, we will see great potential for student and revenue growth. The numbers of partners in GeniusU grew from 10,200 in 2021 to 13,000 in 2022, which represents a 27% growth, year-on-year.

And for former numbers for the group, including the acquisitions, grew from 11,400 in 2021 to 14,700 in 2022, which represents a 29% growth in total partners. We see the number of partners as a key measure for the scalability and the delivery of the Genius curriculum, as each partner attracts their own students to GeniusU and as partners are joining from all parts of the world, we're able to overcome the two, largest bottlenecks to the growth of most education companies, which is location and teachers.

Going forward, we expect a growth of 10 to 20% in partners each year, as we are maintaining a balance between growth and quality. As the five acquisitions this year are instrumental to our strategy and as the integration process is currently ongoing, I believe that providing more color to this topic may be beneficial to all of you and for you to understand the potential synergies in more details. I'll use the integration of Entrepreneur Institute into Genius Group as an example.

Prior to its acquisition, Entrepreneur Institute was delivering in-person events and mentoring to entrepreneurs. Student attendance was limited to where events and courses were held. Course sizes were limited to venue space available. And the number of the courses was limited to the number of faculty members who could teach. Following the acquisition, Entrepreneur Institute courses and products were fully integrated into GeniusU. Students were able to join from anywhere, at any time, courses were digitized, to be delivered part recorded and part facilitated,

and faculty were able to join and get certified to deliver the courses from anywhere around the world.

The conversion of Entrepreneur Institute from an event-based training company to a freemium, ed-tech model has resulted in an increased student intake, from an average rate of less than 50 new students per week, to over 2,000 students per week as of December 31, 2022. Also, an increased event registration, from less than 1,000 attendees per year, to over 20,000 attendees per year as of December 31, 2022. And we attracted over 1,000 faculty members that became full consultants and performance consultants, globally, as well as attracting country partners translating and delivering the courses in Japanese, Chinese, Thai, Mongolian, Spanish, French, Swedish, Polish, and Czech, and over (inaudible) leaders who are hosting regular events and online communities, while marking Entrepreneur Institute (inaudible) courses in their cities.

The model that we used to acquire, integrate, digitize, and distribute the courses and certification for Entrepreneur Institute is a model that we're now repeating for the five acquisitions that we made in 2022, with the goal of reducing the average marketing cost per student cost, increasing the student and partner intake, and increasing the average revenue per student and partner.

Prior to the completion of the four IPO acquisitions, each of the companies had been delivering certification and degree programs to the students in their respective locations. Students based in Lancaster for UAV, students in New Zealand for Education Angels, students in South Africa for E-Squared, and students in the U.K. (inaudible). Since the completion of the acquisitions of these four companies, we're in the process of integrating each company's varied certification and degree programs onto GeniusU.

This will enable us to provide an education offering from early childhood students all the way to adult learners, while minting (ph) our GeniusU conversion model to their products and courses. We believe that this integration model will result in multiple benefits, including the growth of our global student, partner, and faculty community globally, and the distribution of each company's courses around the world. It will also enable us to provide our faculty with the option of teaching courses to students of all ages, either online or in person, with a small group, or at any one of our campus venues, with a large group.

This flexibility in delivery, for both faculty and students, is an important partner of our vision for our Genius curriculum. Moreover, UAB is our global center for curriculum development and our long-term aspiration is to expand the campus to include innovation labs, accelerated camps, and courses delivered for all education stages of our life-long learning curriculum. With regard to our fifth acquisition, Revealed Films, this acquisition is a good example of our acquisition strategy to target media companies, to strength our freemium model, as well as education companies that growth our accreditations, product, and course offerings.

Prior to the acquisition, Revealed Films had been focused on producing documentaries and docuseries that are initial free to view and then lead to an upgrade to the low-cost production

courses. This has resulted in a viewer data base in the millions, with a low revenue per viewer. We plan to integrate Revealed Films film format model as a front-end pathway into GeniusU's life-long learning pathways, turning viewers into students and increasing the lifetime value of each upcoming Revealed Films documentary, such as AI Revolution, that leads viewers to courses on GeniusU to master and use AI in their education, businesses, and investments we believe will demonstrate the power of linking media, entertainment, and education.

In terms of corporate actions, we announced in November -- in November 2022 that we had hired law firms to investigate the market activity on our stock. The initial results of the investigation indicated that certain individuals and companies that bid to be part of a market manipulation scheme, which artificially depressed the price of Genius Group's shares. We then decided to establish, in January 2023, an illegal trading task force and launched legal action against those individuals and companies, to seek to recover liquidated damages to the costs incurred to the company and to preserve shareholder value.

This action is ongoing. We also implemented a list of corporate actions to address this issue. We organized an extraordinary general meeting in February 2023, where resolution for a share buy-back and a share consolidation were passed by shareholders. The company will only implement such resolutions if necessary and if it increases shareholder value. As an initiative to increase visibility of our shares and shareholders and to give shareholders the option of having their shares on the block chain, where they cannot be shorted, we issued a \$10 digital discount (inaudible) per share to all shareholders in March 2023, and (inaudible) listed Genius Group in April 2023 on Upstream Exchange, a fully-regulated, global stock exchange for digital securities and NFTs.

We also settled litigation with our lenders in an (inaudible) settlement, canceling \$36 million convertible note conversions, and reached an agreement between Genius Group and the lending party to invest in our next offering. And lastly, the board approved a spin-off of Entrepreneur Resource Limited, which will provide all of Genius Group's shareholders an account date with shares in Genius Group's subsidiary, Entrepreneur Resource Limited, which is listed on the MERJ Stock Exchange in the (inaudible).

This spin-off was approved by shareholders during its ordinary, general meeting, which took place on the 16<sup>th</sup> of May 2023. The spinoff of Entrepreneur Resource will help streamline and rationalize the group's operation into Genius Group Limited, with its ed-tech focus, and Entrepreneur Resource Limited, with its hospitality focus, under new ownership, which will enable each management team to grow their respective businesses more effectively and it will also result in a full share count of bona fide A Genius Group shares on the (inaudible).

Looking forward, our theme for 2023 is the AI Revolution. From the launch of Genius Group, we have anticipated a period when education will be transformed by AI, with every mentor and student having a personalized path to learning with an AI assistant. The launch of GPT-3, GPT-4, and now Author (ph) GPT, and the AI platforms, all the major technology companies that are launching in 2023, we are accelerating our AI plans.

While there are schools and universities banning students from using Chat GPT and other artificial intelligence tools, we believe that new educations will arise and we expect all students to use AI. We believe the future of learning and the skills, jobs, and tasks we are learning for, will require high-tech, high-touch approach, which relies not only on the growth of AI, but the growth of our human intelligence, as well, to harness and pallet that artificial intelligence.

This combination of AI and HI, we believe can combine to create SI, super-human intelligence. We believe that there is a significant opportunity for education companies to address this growing need and demand for global platforms for super-human learning. Our plan this year is to combine the AI capabilities of GPT-4 with the AI capabilities of Salesforce's Einstein AI, to power Genius Group's Genie AI virtual system on GeniusU. Our Genie AI provides personalized pathways for students, based on their talents, passions, purpose, and interests and will be linked to their assessment results and course progress.

It will also enable educators to constantly generate an updated curriculum, and we launched the (inaudible) version of our Genie AI in Q1 this year, and launched the Beta version to all GeniusU students last week at our AI investor summit. We plan on new versions of our Genie AI regularly, to continuously improve the experience of our users. In addition, we are planning to make the use of artificial intelligence a requirement as part of our curriculum to ensure that all the students learn and embrace this new technology.

We plan to integrate artificial intelligence within our curriculum and make learning with an AI assistant compulsory and we're expecting our successful, ed-tech companies to follow suit. The second, strategic project that we're continuing to focus on is our Genius Metaversity. You already heard some details in the past earnings results calls, and that our plans on creating a Metaversity, which will combined gamified learning, a digital credit system, and augmented reality within a virtual, engaging environment.

This project is core to our vision, as we believe that web tree(ph) and a metaverse will provide students and teachers with an enhanced way to interact and learn in a global classroom. We hosted an impact investor summit last week, where we launched the Beta version of our Genius Metaversity with a large audience. This experience was a great success, as we had more than 1,700 participants join our virtual reality event, experiencing the summit in our global classroom, where they could interact with each other, the summit speakers, and our partners from around the world.

We will continue to update the market with news on the progress of this project as the official launch plan continues to be finalized. Our M&A strategy in 2022 was to acquire education and ed-tech companies of smaller size, with revenues ranging from \$5 million to \$20 million. And our ed strategy has now evolved into acquiring fewer companies, with higher values, between \$50 million and \$100 million.

We have also added companies within the media industry as potential targets, as we believe that we can -- could acquire expertise related to our core competency and create synergies that will come out of combining media and education. Each acquisition, whether small or large, takes a similar amount of time and resources to complete, and we, therefore, think that making fewer, but larger acquisitions will be more effective and will allow us to grow faster and more efficiently.

With regard to our other M&A criteria -- we're looking at the same regions, including the U.S., Europe, Asia, and Australia. And we want to ensure that each acquisition that we make is not only acquiring services that are complimentary, but also accretive for our shareholders. The global education, entertainment, and media markets are highly fragmented and we believe that there are a wide range of players that could be a great fit for Genius Group.

If I were to summarize, there are several, key factors that have contributed to positive growth and operational performance in 2022. They are the growth in our student and partner numbers, the global adoption of our Genius curriculum, the improvement and development of new technology on our GeniusU platform, and the ongoing integration of our acquisitions. Considering that 2022 was a challenging year, globally, for all businesses, due to a broad-based, economic slow-down, high inflation, multiple interest rate hikes, the war in Ukraine, and a crypto-crash, among multiple other factors, and considering that we are still growing at a faster pace than the ed-tech industry, we're extremely pleased the growth of Genius Group and its subsidiaries in 2022.

Overall, as education is a defensive sector, education continues to be a top performing industry during economic slowdowns. So we plan to leverage this economic environment to attract new students and grow our platform. We will also coordinate to partner with high-profile companies, implementing strategic projects, such as our Genie AI and Genius Metaversity, and further integrate our past acquisitions and realize synergies to continue on this growth trajectory in 2023.

Now, I would like to turn it over to Erez so that he can give an overview of our financial performance.

### **Erez Simha**

Thank you, Roger. And good evening, everyone. I can only echo Roger messaging about the company's great results this year. We have had some growth in 2022, and this can be seen in growth of revenue, students, and partner that Roger presented earlier. The growth comes across strong in our financial results.

During Q1 2023, we updated our revenue recognition policy memo and uncovered an error in the implementation of the accounting treatment for (inaudible) revenue contribution conduction, with a third party sales partner. We, therefore, believe that a re-statement was necessary for our 2021 results. In accordance with IFRS, the re-statement records revenue and expenses net for 2021 sales conduction, were the company was not (inaudible) principles in transaction.



As a result, the restatement decreased revenue in 2021 by \$4.5 million and decreased our cost of revenue by the same amount. In other words, this meant that our revenue in 2021 has been restated from \$12.8 to \$8.3 million, and our 2021 cost of revenue has been re-stated from \$10 million to \$5.5 million. Our 2021 gross profit EBITDA, cash flow, and net profit has remained the same, as Roger previously presented to you. The decrease in revenue, in previous, represent higher revenue growth, year-over-year, in 2022.

Now, onto our 2022 results. The audited, revenue increase, from \$8.3 in 2021 to \$18.2 in 2022, which represent a 118% growth, year-over-year. This is a much higher growth rate than the education industry growth rate of 4.3%, and the ed-tech industry growth rate of 16.3%. This tremendous growth this year is the reflection of stable and fast-growing student and legal-base growth on our platform and acquisition of new customers through the acquisition of the (inaudible).

this growth was driven by an increasing education revenue of 161%, from \$5.2 to \$30.6 million, an increase in (inaudible) revenue by 50%, from \$3.1 in 2021 to \$4.6 in 2022. The large increase in education revenue is divided into two sections -- a 66% increase in digitized education revenue, driven by our growth in our student and user base; and the return of in-person education since the completion of acquisitions. The increase in (inaudible) revenue is mainly driven by the re-opening of our core campus venues, in-line with the easing of pandemic restrictions and customers being more willing to go out and travel.

Our pro forma basis, Genius Group achieved revenue of \$38.1 million in 2022. Our \$28.1 million revenue is a combination of \$9.5 million in revenue from the pre-APO group, and \$18.6 million in revenue from the five acquisitions. As explained earlier, we have had to re-state our revenue for 2021. However, 2022 guidance that we have provided to the market was based on the old, 2021 revenue accounting treatment, which had expected a similar amount of revenue from that third-party sales partner.

Our 2022 pro forma revenue guidance included approximately \$5 million of revenue from this specific partner. Our original 2022 pro forma revenue guidance was \$35 to \$38 million, and therefore, we believe that it would be more accurate to compare our 2022 results with 2022 pro forma revenue guidance of \$30 to \$33 million -- elimination of those \$5 million. Without the margins, our gross profit margin increase to 33% in 202 -- from 33% in 2021 to 47% in 2022.

The increase is the result of inclusion of higher gross margin acquisitions within the group and cost synergies from those acquisitions. Most of the cost synergies came from putting courses from the acquisition companies on GeniusU and using GeniusU's more efficient technology and (inaudible). On a pro forma basis, our gross margin remained stable, at 53%. As we own the majority of the curriculum and courses across all companies, we are focused on maintaining a low cost of content and a high gross margin.



The cost of revenue that we're doing currently is mainly our customer acquisition costs and our faculty costs. In 2022, majority of the acquisitions were yet implementing any of the gross strategies utilized by the pre-APO group. As we further integrate the acquisitions into Genius Group family and apply the same customer acquisition strategy within each company, we expect cost of revenue to decrease and gross margin to expand in 2023.

The group had operating expenses of \$50.5 million in the fiscal year ended December 21, 2022, compared to \$7.3 million in 2021. Approximately 56% of our operating expenses is due to (inaudible) of \$28.2 million and the remaining 44%, is due to general and administrative expenses. The calculation of the internal loss of -- on goodwill is closely linked to the company's market capitalization, as of December 31, 2022.

As Genius grew, share price decreased to less than \$0.50 in December 2022. This had an impact on the amount of (inaudible) lost and good will. The company recorded a total of \$28.2 million. The company had administrative expenses of \$21.2, including the cost of our stocks, professional, and consulting fees, development costs, share-based compensation, marketing, rental, and general expenses.

The increase in our operating expenses from 2021 is the result of the growth in our operations, increased costs due to the return of -- to the physicality rent, the expansion of our curriculum and IPOs, legal, and administrative expenses. On a pro forma basis, the group had operating expenses of \$55 million in 2022. As we continue integrating the acquired companies with the Genius Group family, we are expecting a decreasing cost across the group in each of the acquired companies.

Such cost reduction will remain and come from synchronization of some in-house organization of processes and synchronization of (inaudible) functions. The group had additional income of \$0.4 million in 2022, as per the audited accounts of \$1.2 million on the pro forma basis. This additional income is the result of recording \$0.8 million benefit from the write-off a loan from the pre-acquisition owner, compared to \$1.2 million in additional income for forgiveness of a note paid through the paycheck protection program under the CARE act in 2021.

The group also had \$50.2 million in other expenses in 2022, compared to \$0.5 million in 2021. The increase was due mainly to a change in sales value consideration of \$14.38 million, an interest expenses of converted (inaudible) on the (inaudible). On the pro forma basis, we had \$15.2 million in other expenses. This result in the group, having the (inaudible) -- the resulting in the group had a net loss, after tax, of \$55.3 million in 2022, in the audited accounts, compared to a loss of \$4.5 million in 2021.

On the pro forma basis, the loss was \$54.9 in 2022. Such results should be, of course, be adjusted for one-time, irregular, and non-recurring item. As such, the (inaudible), which increased our operating expenses, including the liberation adjustment of (inaudible) liability, good will impairment, and having made -- to be taken out of the calculated as adjusted EBITDA. On such

basis, our adjusted EBITDA is \$7.8 million loss on our audited account, and \$7.3 loss on a pro forma basis.

In 2023, we expect to improve our EBITDA, as we re-calibrate our costs for the post-pandemic environment, realize cost synergies from the integration of the acquired companies. I will now be discussing our balance sheet and cash performance. The group current assets increased to \$24.3 million, the largest current asset item on our group is cash and cash equivalents of \$5.7 million, a (inaudible) with cash of \$11.1 million and accounts receivable of \$4.9.

The group pro forma non-current assets, grew from \$11.1 in 2021 to \$67 in 2022, mainly due to the five acquisitions. The non-current assets have allowed Genius the result of good will intangible assets and market field data related to the acquisitions. The group pro forma counter liabilities increased from \$7.1 million in 2021 to \$23.4 in 2022, which the largest (inaudible) being deferred revenue of \$6.4 convertible (inaudible) abbreviation of \$5.8 and accrued expenses of \$3.8 million.

The group pro forma non-current liability includes \$3.5 million to \$53.9 million, due to an increase in operating leasing liability and derivative liability related to current operational and current liability, the result of multiple (inaudible) acquisitions. The group shareholders equity grew from \$8 million to \$14 million. Our principle sources of liquidity are our cash and cash equivalents, short-term investment, and cash generated from operation.

We have funded our operations primarily through cash growth from operation and have laid (ph) capital for the purpose of business acquisition and development of technology platform. And, therefore, in 2022, the company completed its IPO and listing on the New York Stock Exchange. Total growth proceeds from IPO was \$22.5 million, which was used to the IPO expenses, the acquisitions pay-out, and growth of the business.

Further, in September 2022, the company closed convertible a convertible round of \$70 million of reached, gross procedure \$5.8 million, was assuming the cash and cash equivalent during the year of 2022. To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and requirements, we may be required to raise additional equity through debt financing. We have released our 2023 financial guidance in January 2023, with an estimated student and user base of 5.7 to 6 million, annual revenue of \$48 to \$52 million, and adjusted EBITDA of \$0.521 million.

Our 2023 financial guidance is heavily rated towards the second of the year, as we accelerate the integration of the acquired companies and expect growing operating leverage, driven by top-right (ph) synergies from our ed-tech platform and digitization of our portfolio of products. Looking forward, the short-term and long-term drivers for our business have not changed. Individuals has -- are increasingly to online learning and compliment their education and supply themselves with a digital scaled required in today's economy.

We believe the current trend in the economy, job market, and investment market will lead to an increased demand, entrepreneur, and skill-based education that we provide. So in 2023, we are expanding Genius Group to continue its strong growth trajectory and we are focused on managing our costs and achieving positive EBITDA. We have a strong management team in place, our integration process are -- of our five acquisitions in 2022 is underway, and we are looking forward to a successful 2023.

With that, we thank you for joining the call and I would ask to open it up now for questions.

**Operator**

At this time, we will be conducting a question-and-answer session. If you would like to ask a question, please press \* 1 on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press \* 2 if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys.

Our first question comes from the line Hunter Diamond with Diamond Equity. Please proceed with your question.

**Hunter Diamond**

Hi, everyone. Congratulations on the strong results. So my question relates to why the shift to the larger acquisitions? Maybe you could describe why you're focused on larger deals and kind of the impetus behind that change?

**Roger Hamilton**

Hi, Hunter. Thanks very much for the question. It's been very interesting seeing the amounts of companies that are on the market at the moment, especially with the depressed prices on companies, in general. And what we're seeing is that, whereas before, there was certainly companies -- which includes public-listed companies -- that wouldn't really consider an acquisition or a merger.

We have seen a very big change, en route of that this year. The -- earlier this year, I started having quite a number of conversations with CEOs of public listed companies. And we're not just talking about companies that may be listed in the U.S. These could be companies that are listed in other parts of the world, as well. And, of course, if you are doing due diligence and going into detail on companies which are already -- are public listed themselves, they obviously, are larger.

But also, there's already been a lot more compliance systems talent that have all been built in those companies, as well. So really, this does not mean that the focus at the larger ones, means that if good opportunities on smaller companies, we'll still consider them. But certainly, the market is healthy. We believe the change, and that's allowed us to be able to actually be looking, now, at these larger potential targets, as well. Hope that answers the question.

**Hunter Diamond**

No, that makes perfect sense. And I -- my second question, and it was a fairly comprehensive call, so I just have two today. In terms of AI, I just -- what are you seeing the opportunities in education? I know it's had sort of mixed results on different equities. For instance, CHGG, I think it's sort of have a negative impact. Other companies, like Microsoft, Nvidia -- it's been very positive.

I mean, I guess, just where are you seeing -- how much do you think you're going to invest of your cash in sort of the R&D of the AI versus kind of leveraging Chat GPT, other software that's sort of out there, that's fairly robust?

**Rogert Hamilton**

Yeah, that's a great question. And I'll answer that in two parts. The first one is, you are absolutely right -- there are companies out there -- when you look at all of ed-tech, there are certainly companies out there who are providing courses or programs or even accelerated access to doing homework, like -- things that, basically in the past you'd need to be paying subscriptions to get access to various content.

Obviously, with Chat GPT, with the way that AI is going, you don't need that anymore, because why go and pay for that content, when you're actually able to get it for free. And more importantly, if you're getting for AI that is able to be more personalized for yourself, then even better. So I definitely think there's going to be certain platforms, which includes ed-tech platforms, that will find things more challenging, as we all start to find AI being more and more useful.

There's also the other side -- actually, seeing some of the companies that also are really focusing at the personalized learning. When I met with Sal Khan from Khan Academy, where he has over 100 million students already, the amount of time and effort they have put into having their own, basically, customized tutor that can help you along your way, when we basically had a look at what they were doing, we thought was fantastic, as an example.

But we also saw that what we had, which was really a big step up, was the fact that a large amount of the students that come and join us, they come because they want the personalized learning. They take the passion test, they take the Genius test that we have, the purpose test. And so, our Genie AI gets to know exactly who you are. And I recommend you give it a go. If you actually go onto GeniusU now, you can, straight away see on the left-hand side, that Genie is there waiting to speak to you.

And if you logged in, it's not like Chat GPT, which basically starts by, like, just being a prompt and asking what you want to ask. It actually starts, hi, Roger, so how can I help you today? And anything that I ask my genie, it will give a different answer to -- for example, if you ask the Genie, because it is ask -- it is answering based on my passions, my purposes. And I can be asking who -

- what mentor should I connect with today? Or, who's in the city that I'm in at the moment that could help me on my path?

And it would actually be able to look up everything within GeniusU, everything permission-based, within our community, and give us information, which no other AI is able to provide, because it's a combination of not just the intelligence of the AI, but also with all the data that the student has actually provided to have a personalized talk. So any ed-tech platform that is focusing at being more personalized, that is being more relevant and being more meaningful to that person's life, I think is going to find AI to be a very powerful point of difference.

And we definitely have already seen that with even the first early days of us launching our Genie AI, as well. On the second part of our question, which was to what extent are we investing in building our own platforms or to what extent are we leveraging with the very best that's out there already? Both, in terms of the AI and also in terms of our metaversity, we have seen some major launches from the biggest platforms.

And that's everything from Microsoft and Google, through to Apple, even this week. And we are leveraging on all of these platforms so that anyone who, as a student, start to embrace any of these platforms will find that they seamlessly will integrate in with our GeniusU platform, as well. And we want to continue at the forefront of that, because this was always part of our vision, from the very beginning, when we first launched Genius Group.

**Hunter Diamond**

Absolutely. No, it seems like you're moving towards where educational technology is heading. So, you're positioning the company in a very favorable way for the way education is changing. Again, thank you for taking my questions and look forward to watching the continued progress.

**Roger Hamilton**

Yeah, that's fantastic. Thanks a lot, Hunter.

**Operator**

And we have reached the end of the question-and-answer session. And also, this concludes today's conference. And you may disconnect your lines at this time. Thank you for your participation.