



# VERSES

## May 2026 Update

19-May-2026

OTCQB:VRSSF

CBOE:VERS

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# Agenda

1. Business Update
2. Go-to-market and commercialization strategy
3. Questions and answers



# Business Update

# Prodigii contract

- Prodigii has licensed Genius™, along with our AXIOM model and access to our financial services expertise.
- Their intention is to build customer-facing products across a range of industries, including financial services and insurance, cybersecurity, smart manufacturing, healthcare, and energy.

# Business update

- Financial services working session
- Mentioned twice in Gartner research



# About Our Approach

# What to Forget — 4 Mental Models That Will Lead You Astray



FORGET THIS

## AI = Pattern Recognition on Data



### THE OLD THINKING

The old model says: feed data in, get predictions out. Train on more data, improve performance.

### WHY IT FAILS

This produces systems that hallucinate, can't act, don't know what they don't know, and collapse when the world changes.



FORGET THIS

## Training IS Learning



### THE OLD THINKING

We train a model on a dataset. That process produces 'learned' behavior baked into static weights.

### WHY IT FAILS

This is memorization, not learning. True learning updates beliefs continuously in real time — without retraining.



FORGET THIS

## Intelligence = A Bigger Model



### THE OLD THINKING

GPT-4 → GPT-5 → GPT-n. The implicit belief: scale up parameters and intelligence emerges.

### WHY IT FAILS

Scale produces capability without understanding. A 1-trillion parameter model still has no world model — it has word statistics.



FORGET THIS

## AI Should Produce Answers



### THE OLD THINKING

We've built a culture of prompting AI for outputs: summaries, code, decisions.

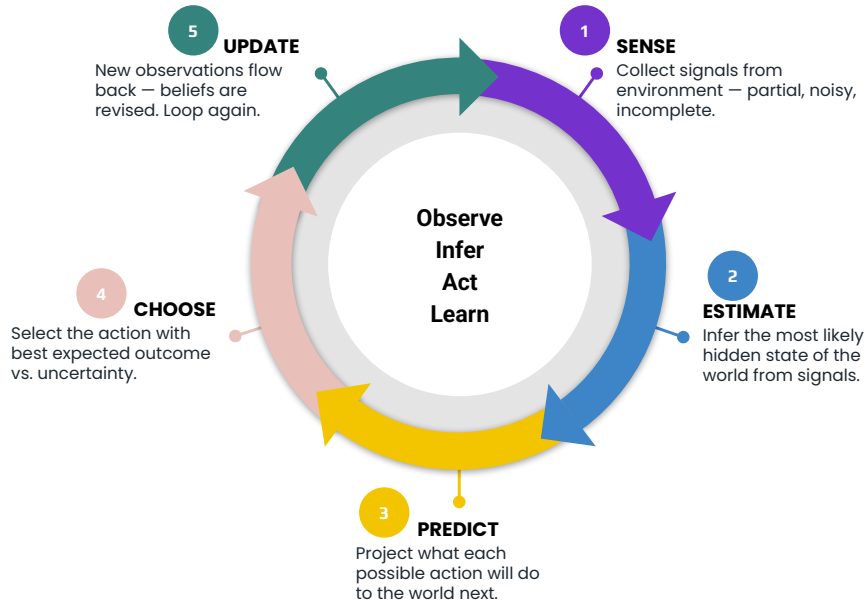
### WHY IT FAILS

Real-world intelligence isn't about answers — it's about selecting the best next action under ongoing uncertainty.

# The New Mental Model – Intelligence as a Prediction Machine

## THE BRAIN (and Active Inference AI)

*A perpetual prediction loop running 24/7 – updating beliefs, taking action.*



↻ Loop continues – the system never stops learning

## TRADITIONAL GenAI (LLMs)

*A one-shot token predictor – no world model, no beliefs, no action loop.*

- ❌ **TRAIN**  
Consume billions of text tokens. Compress into static weights. Done.
- ❌ **FREEZE**  
Model weights locked. No more learning. The world continues to change.
- ❌ **PROMPT**  
User provides context at runtime. LLM predicts the next likely token.
- ❌ **OUTPUT**  
Confident-sounding text produced. No uncertainty signal. No action.
- ❌ **REPEAT**  
Same static model used again. No memory. No belief updates. No loop.

⊖ No loop – static after training. Brittle in a changing world.

# What You Now Know — The 6 Reframes that change what you know about AI

✗ AI is about data

↓ **Intelligence is about minimizing surprise**



Free Energy is the score. Reducing it = becoming smarter.

✗ Bigger models = smarter AI

↓ **Efficient world models = smarter AI**



440× smaller, 39× more compute-efficient than leading alternatives.

✗ Training is learning

↓ **Learning never stops — it's a continuous loop**



Every new observation updates beliefs. No retraining required.

✗ AI should produce answers

↓ **AI should select the best next action**



Genius chooses the move with the highest expected value under uncertainty.

✗ Uncertainty is a bug to hide

↓ **Uncertainty is the signal — it drives exploration**



Knowing what you don't know is the beginning of all real intelligence.

✗ AI and the brain are unrelated

↓ **Active Inference is the math of cognition**



Karl Friston's Free Energy Principle is a unified theory of brain and behavior.

Now you can think about AI the way nature does —  
**not as a lookup engine, but as a living prediction machine.**

## VERSES

Active Intelligence Platform

*If you are constantly surprised, you won't survive.*

— Free Energy Principle

*We are not just seeing the world — we are shaping it.*

— Active Inference

*Intelligence emerges from minimizing uncertainty.*

— Karl Friston / VERSES



**Go To Market**

# Enterprise Decision Intelligence Platform

VERSES commercializes Active Inference through enterprise software, platform licensing, and adaptive operational intelligence systems.

## Core Revenue Streams

### Financial Intelligence

Adaptive decision systems for:

- portfolio optimization
- risk infrastructure
- compliance monitoring
- trading support

#### Revenue Model:

Enterprise SaaS + platform licensing

### Enterprise Decision Infrastructure

Operational intelligence systems for dynamic enterprise environments.

#### Revenue Model:

Recurring enterprise licensing

### Technology Licensing

Strategic licensing partnerships for specialized deployment environments and GTM expansion.

#### Revenue Model:

Licensing + deployment agreements

## Land-and-Expand Strategy

### Phase 1

Targeted high-value enterprise workflows

### Phase 2

Expansion across adjacent operational systems

### Phase 3

Embedded enterprise intelligence infrastructure



# Questions