

Initiation Report

GENIUS GROUP LIMITED



Genius Group Limited – Disrupting the Education Technology Ecosystem

Genius Group Limited (NYSE: GNS)

Share Price: \$5.94

Valuation: \$11.28



Key Statistics

52 Week Range	\$5.07 - \$36.75
Avg. Volume (3 months)	1,555.69K
Shares Outstanding	21.52M
Market Capitalization	127.83M
EV/Revenue	10.54x
Cash Balance*	\$21.05m
Analyst Coverage	1

*Cash balance as of December 2021 (inclusive of IPO net proceeds)

Revenue (in \$mm) *

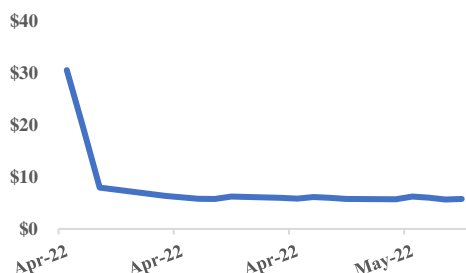
Dec - FY	2021A	2022E	2023E
H1	13.92	19.18	27.72
H2	14.65	24.68	30.72
FY	28.57	43.86	58.44

EPS (in \$) *

Dec - FY	2021A	2022E	2023E
H1	(0.00)	0.00	0.02
H2	(0.25)	0.00	0.08
FY	(0.25)	0.00	0.10

*Actual values are for the Proforma Group

Stock Price Chart (in \$)



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Investment Highlights

- Solid Foundation for Growth** - The Genius Group management has laid a solid foundation targeting steady growth. The company has acquired 2.66 million students as of December 31, 2021, while generating \$9.67 million in education revenue during 2021. GeniusU's EdTech platform is its unique selling proposition that utilizes the latest technology that provides a set of data throughout each student's learning journey. The company is in the process of developing an AI virtual assistant that is expected to provide each student with a personalized learning path at every stage of their education. Additionally, GeniusU plans to extend its courses and programs to interactive learning environments in the metaverse. The education technology platform is expected to be leveraged to enhance the educational experience and quality across its IPO acquisition companies, thus attracting new students and partners.
- Capitalizing on Inorganic Expansion** - The recent IPO acquisition allows Genius Group to develop and market a lifelong Genius curriculum catering to individuals of all age groups. The company has been utilizing both organic and inorganic means resulting in rapid growth in its top line. The acquisition of four companies post its IPO is expected to create synergistic value through resource integration and digitization, increasing the average spend per student while attracting new students and partners. The company expects to engage in more acquisitions in the future, expanding its geographical footprint.
- Large Total Addressable Market (TAM)** - Developing a niche within the entrepreneur movement, the company is set to target the growing global education market, which is set to be a \$10 trillion industry by 2030. Company-funded education, self-funded entrepreneur education, licensed certifications, and global and digital schooling are a few of the fastest-growing segments within the education industry. Genius Group's unique position allows it the ability to cater to each age group while maintaining its niche within the entrepreneur education market. This blended approach would allow the company to capitalize on the fastest-growing trends while adapting to the changing education market.
- Experienced Management Team** - The company is managed by a team of experienced and competent professionals with diverse backgrounds. Roger James Hamilton is the founder and has been leading the company since 2015. His previous experience of founding Wealth Dynamics and Talent Dynamics formed the base for GeniusU's personalized and entrepreneurial learning methodology. Mr. Suraj Naik serves as the company's chief technology officer and led the launch of GeniusU. The group is led by a Board of Directors who have the requisite expertise and a deep understanding of the knowledge industry.
- Valuation** - We have valued Genius Group Limited using DCF as our preferred methodology. We have used a discount rate of 12.9% and a terminal growth rate of 1.5% yielding a value of \$242.77 million or \$11.28 per share contingent on successful execution by the company. We view Genius Group Limited as a unique high-risk high-reward investment for institutional and high-risk tolerant retail investors.

Company Description

Genius Group (NYSE: GNS) is a Singapore-based EdTech and education company engaged in providing educational services in over 200 countries. It aims to develop an alternative lifelong learning curriculum and make its educational products accessible worldwide to all age groups.

Company Overview

Genius Group (NYSE: GNS) is a Singapore-based EdTech and education company engaged in providing educational services in over 200 countries worldwide. The company aims to develop a lifelong learning ecosystem ranging from early learning to adult education, including primary and secondary school, university, and entrepreneurship training. It plans to provide a personalized learning curriculum to each student through its various group companies.

Previously focused on providing training and services to entrepreneurs, it has since acquired numerous education companies, schools, and universities with government-accredited curriculums. Genius Group plans to integrate the core curriculum from different group companies and partners into its EdTech platform, GeniusU, in order to enable complete digital learning for students. Digitizing the courses will allow it to distribute its services globally and unlock value by leveraging data coupled with A.I. to provide better personalization of the curriculum. The company has a network of over 2,500 certified trainers and experts.

Genius Group aims to develop a lifelong learning system ranging from early learning to adult education in over 200 countries

Genius group reports three main sources of revenue:

- Digital Education
- In-Person Education
- Campus Revenue

The major source of revenue is Digital Education. The company has made significant acquisitions in the past and planned more acquisitions across the globe to build a portfolio of different education companies that it can integrate into the GeniusU platform. It is also looking to acquire other EdTech platforms to boost its own technological capabilities. Genius Group has a user base of over 2 million students, including free and paid users. The Genius Group currently consists of eight companies (4 pre-IPO companies and 4 IPO acquisitions.)

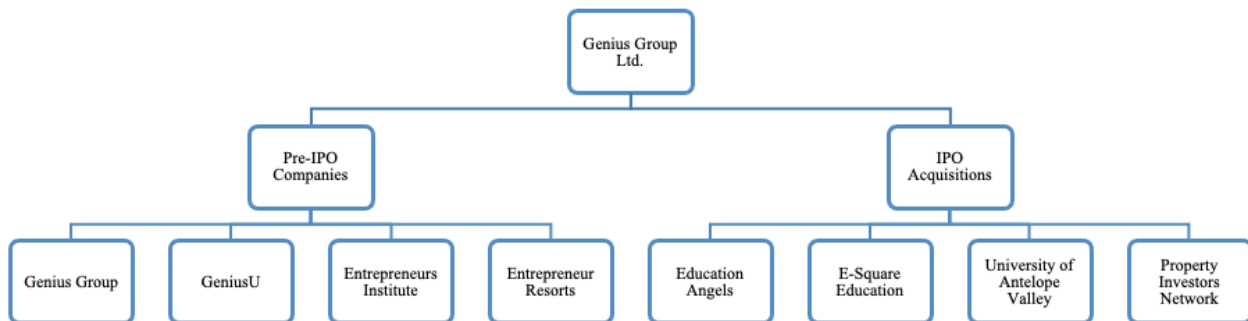


Exhibit 1: Genius Group Organization Structure. Source: F-1 Filings

Revenue from all group companies includes digital and non-digital revenue. The core business is digital education. The major sources of revenue include the University of Antelope Valley and the Pre-IPO group. Currently, the company is focused on entrepreneur education and incorporating its tools into the existing education system via collaborations with and acquisitions of schools and universities. The company plans to establish a fully accredited personalized lifelong learning curriculum as an alternative to traditional standardized programs.

The Pre-IPO Group

The Pre-IPO group consists of Genius Group Ltd. itself and other subsidiary companies, including GeniusU Ltd., Entrepreneurs Institute, and Entrepreneur Resorts Ltd. Entrepreneurs Institute and Entrepreneur Resorts were acquired by Genius Group Ltd. in 2019 and 2020, respectively. The Pre-IPO group forms a majority of the total student base of Genius Group.

GeniusU

GeniusU is the EdTech arm of Genius Group Ltd. The platform hosts all digital courses and programs from Genius Group’s IPO acquisitions, as well as its partner network. GeniusU has also integrated A.I. capabilities, wherein it also features an A.I. virtual assistant, Genie. Additionally, the company recently announced the completion of a seed round to support the development of its Genius Metaversity virtual learning plans. GeniusU is leveraging an emerging trend and technology to enhance the learning experience by extending its courses and programs to interactive learning environments in the metaverse. This is expected to assist students and faculties in connecting and learning in global classrooms and virtual 3D environments.

Students can register for free on GeniusU and take assessments which, in turn, are analyzed by Genie using proprietary assessment algorithms and A.I. to provide a personalized learning path to students. Genie provides real-time recommendations to students on the best ways to upskill and develop their careers. GeniusU also has community features that allow students, mentors, and faculty members to connect with each other and grow their networks.

Before enrolling in any paid course, the students can interact with other students and mentors to choose the course that is the best fit for their goals. GeniusU also includes programs for lifelong learning with different options available based on the students’ age and career stage. Currently, it is being offered as a supplementary system to the existing educational environment. Eventually, GeniusU will be offered as a complete alternative to traditional standardized education pathways (and offer unique and personalized pathways to each student based on their preferences.)

GeniusU is the core platform that will be instrumental in expanding the Genius Group’s companies

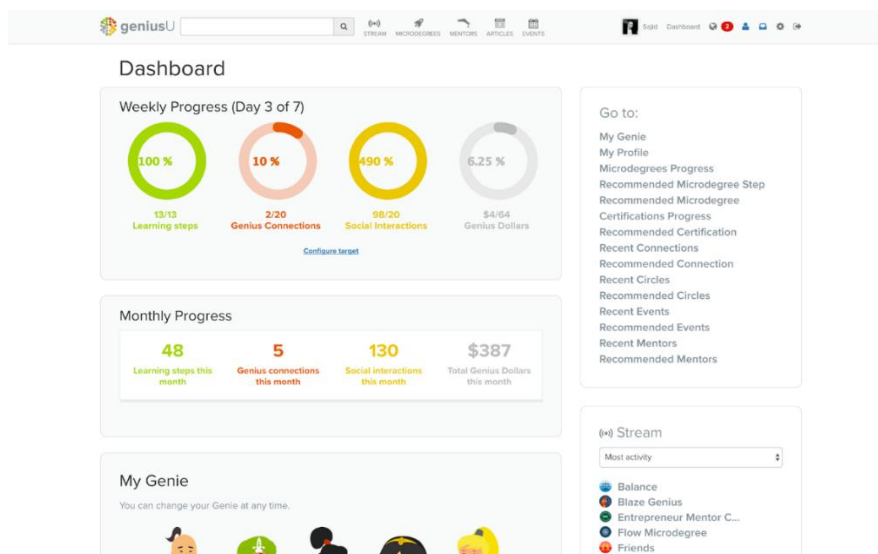
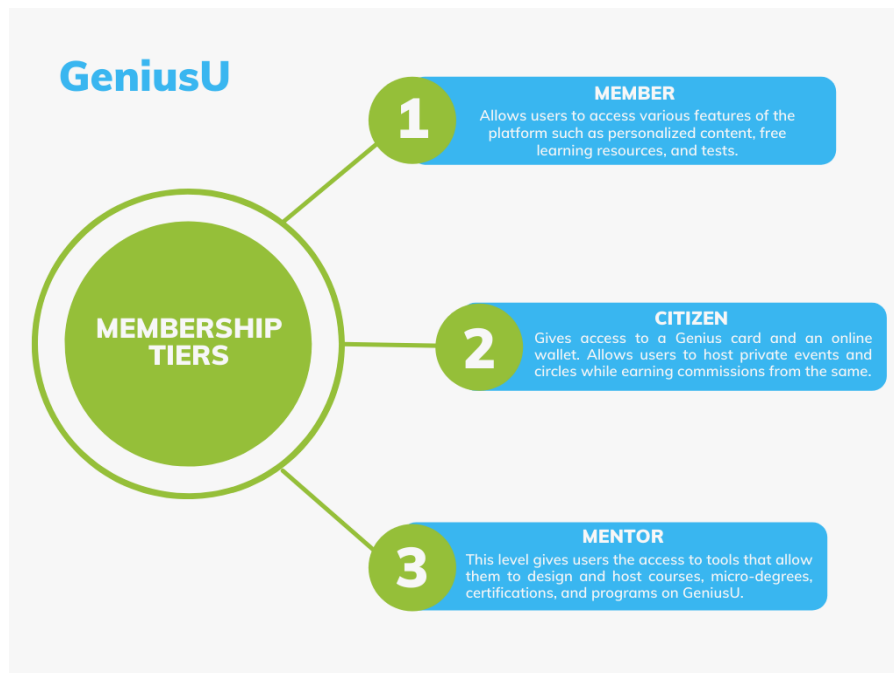


Exhibit 2: GeniusU Student Dashboard. Source: [GeniusU Ltd.](https://www.geniusu.com)

Genius Group will integrate all of its acquisitions into the platform to provide students with courses, certifications, and degrees from partners and mentors spread across the world. There are currently over 1.9 million total users on GeniusU, including more than 35,000 paying students. GeniusU attempts to gamify the learning process by rewarding students to earn Genius Entrepreneur Merits (GEMs) for every action they take on the platform, from connecting with other members to learning modules and reviewing courses. GEMs incentivize students to be regularly active on GeniusU and engage with different components of the system.

Faculty partners can join GeniusU in a similar way to the students. They can register for free to explore the platform and then choose a membership plan suitable to their needs. This gives them access to their own partner pathways. GeniusU has three membership tiers.



GeniusU's membership tiers are conveniently priced to suit a vast number of students worldwide

Exhibit 3: GeniusU Membership Tiers. Source: GeniusU Ltd.

The Member level gives users access to the platform and community and is free. Citizen level costs \$97 per year and allows students to access their personalized learning paths, additional learning resources, and the ability to graduate via a credits-based system. The final tier is the Mentor level, costing \$970 per year, allowing members to get certified and become part of the faculty network. They can then design their own courses or events and enrol students on the platform. It also gives access to dashboards that allow the faculty to track each student's progress.

After getting certified on GeniusU as genius partners, they can host their courses or events and enrol students. There are over 2,500 highly accredited and certified trainers and mentors on GeniusU. Genius Group also plans to acquire other EdTech companies that have impeccable technology and can enhance the technological growth and user-base of GeniusU. GeniusU aims to allow students to continue learning at each and every stage of their life with a personalized, self-paced learning mechanism that is both accessible and inclusive.

Entrepreneurs Institute

Entrepreneurs Institute is the first company amongst the group companies that form the Genius Group today; founded by Roger James Hamilton, CEO of Genius Group. Entrepreneurs Institute was formed to provide entrepreneurial training services to budding entrepreneurs. A number of programs, events, and tools were established under the Entrepreneurs Institute brand, including Wealth Dynamics, Talent Dynamics, Impact Dynamics, Global Entrepreneur Summit, and the Entrepreneur Fast Track Event series, among others. It was one of the earliest companies to come on the GeniusU platform and boosted its entrepreneur network and user base. Entrepreneurs Institute has scaled several early-stage start-ups over its years of operations and continues to do so.

It caters to the needs of entrepreneurs at all stages. The Genius Group acquired Entrepreneurs Institute Ltd. in 2019. All the course offerings, tests, and resources of the Entrepreneurs Institute have been digitized and made available on GeniusU. The company has been completely integrated into GeniusU, including its revenues and costs.

Entrepreneur Resorts

Entrepreneur Resorts (MERJ: ERL), a Seychelles-based publicly listed company, owns and manages entrepreneur resorts, beach clubs, co-working spaces, and cafes in several countries around the world. Entrepreneur Resorts aims to build a worldwide network of such learning campuses where entrepreneurs can collaborate and co-work with other entrepreneurs. While Entrepreneur Resorts was established only to provide an ideal location for the Entrepreneur Institute's offerings, it has since been used to provide venues for events and courses hosted on GeniusU by other group education companies.

These resorts and clubs provide a different learning environment than traditional classrooms. While the courses are also conducted live for the online members, these venues are also open to entrepreneurs who wish to attend the sessions in person. In-person attendance brings in additional revenue from their accommodation, food, and beverages and leads to enrolment in additional courses. This provides Entrepreneur Resorts with a unique revenue stream different from all companies under the Genius Group umbrella. It currently operates in Indonesia, South Africa, and Singapore.



Exhibit 4: Vision Villa Entrepreneur Resort, Bali, Indonesia. Source: [Trip.com](https://www.trip.com)

After its acquisition, it has benefitted from an increased footprint at each venue, with GeniusU partners driving more students to the campuses by conducting courses and retreats. The company plans to create a global footprint by opening additional properties through its licensing model. It has expressions of interest from potential partners in countries like England, Japan, Australia, and Greece. The properties have been divided into three major groups.

- **Genius Cafes:** These cafes provide healthy food and drinks to entrepreneurs who visit to attend networking events, courses, or just to work. There is currently one independent cafe operational in Bali, Indonesia with another located at a Genius Resort site.
- **Genius Centrals:** Genius Centrals are co-working spaces that allow entrepreneurs to work in collaboration with other start-ups and make the maximum impact. These also serve as city campuses for GeniusU education programs. The Genius Central in Singapore is gaining popularity as a top destination for entrepreneurs.
- **Genius Resorts:** These are sprawling luxurious properties that serve as an ideal host to learning and corporate retreats. Genius Group will organize a year-long calendar of events, workshops, and courses at these venues. There are three resorts in operation and an additional Private Members' lodge operated by one of these resorts.

Beach clubs and Entrepreneur Cafes are the fastest-growing segments under Entrepreneur Resorts. Entrepreneur Resorts was acquired by Genius Group in June 2020. It continues to be listed on the Seychelles Merj Exchange and is in the process of being rebranded as Genius Resorts.

IPO Acquisitions – Targeting Revenue and Cost Synergies

Genius Group acquired four companies by way of the IPO-Acquisition. IPO-Acquisitions are acquisitions that are completed on the day the company goes public or within a few days of the listing. When companies go public, they experience an inflow of capital and an increase in the liquidity of their shares. These allow the management to make both stock and cash acquisitions. Historically, it has been seen that companies make acquisitions at an increasing pace after their IPO.¹ In line with their business model, Genius Group used proceeds from the IPO to acquire education companies that cater to different age groups. The main motive behind these acquisitions was to increase the number of courses available under the Genius Group brand and integrate them on GeniusU to make them available worldwide.

Genius Group actively acquires companies that could generate revenue and cost synergies

Education Angels

Education Angels is an early-education company founded in New Zealand that provides home-based education and learning solutions for children aged 0-5 years. The company trains childcare service providers to become educators for young children. The curriculum follows a model that improves play and discovery skills in children. Learning is conducted in home-based environments, where children learn through group activities. The service providers act as both childcare professionals and educators simultaneously. Each educator can cater to up to four

¹ https://jhfinance.web.unc.edu/wp-content/uploads/sites/12369/2016/02/Celikyurt_Sevilir_Shivdasani_Acquisition-Currency-v6.pdf

children at a time under expert supervision. In one of its reviews, New Zealand's Education Review Office (ERO) has mentioned that children at Education Angels have positive interactions with educators with several resources available that enhance learning and development.² It also mentions that the educators are professionally trained and understand childcare and development.

Pre-IPO operations of Education Angels were focused only on providing full-time child education (and some free resources for parents) services within New Zealand. Genius Group has since made GeniusU tools available in Education Angels' programs. This allows parents to track their child's progress using the personalized dashboard. Parenting courses have also been integrated into GeniusU that allow parents to take up these free courses and complete them in a self-paced manner. Additional paid courses are targeted going forward.

Besides the students and parents' program, Educator certification programs have also been included on GeniusU. Educators can use GeniusU to scale their services by allowing them to cater to users across the world. Before this, they were limited by their geographical location and lack of mentor resources that come with GeniusU. These certifications can also be obtained by parents who wish to lead child learning communities. The company plans to launch an Education Angels membership program that will allow them to access all paid resources and courses without any extra cost. It will also include resources that can support learning for children up to the age of seven years old compared to just five years old without a membership. Parent and mentor resources will be made available in a "Freemium" model.

Education Angles had revenues of \$1.1 million in 2020 with 630 paying students. For the first half of 2021, it generated revenues of \$0.5 million with 732 paying students. In New Zealand, 50% of the costs of this curriculum are covered by the Government (since Education Angels is licensed by the New Zealand Department of Education.) Genius Group plans to use this model in countries where government funding is available for such education programs. In other countries, it will follow a parent-funding model.

E-Square Education

E-Square is an education group that operates primary, secondary, and tertiary education institutes. It mainly focuses on developing vocational and entrepreneurial skills in its students so that they can go on to establish their own enterprises and compete globally. It is based in South Africa and provides government-funded or corporate-sponsored training programs.

The company's schools and programs are approved by the South Africa Department of Education. E-Square follows a hybrid model which combines classes with mobile-based online practical assignments. This allowed them to switch to a remote-learning model during the COVID-19 pandemic without any disruption. This system allows teachers to track their students' progress in real-time. Genius Group will integrate the existing E-square's digital platform into GeniusU. This will allow educators to access GeniusU resources to enhance their learning journey further while also allowing users outside South Africa to access E-Square's programs. It will also allow faculty to register as mentors and provide services to users across countries to develop their careers.

² <https://ero.govt.nz/institution/47212/education-angels>



Exhibit 5: E-Square Education's Campus. Source: E-Square Education

E-Square follows a vision of enabling students to learn through a personalized and self-paced process to develop entrepreneurial skills, similar to Genius Group's vision. The curriculum is based on the same principles followed by Genius Group, which allows easy integration of the existing curriculum with minimal alterations.

In 2020, E-Square's revenues stood at \$0.8 million with 546 students, while revenues for the first six months of 2021 (2021 H1) were \$0.4 million with 677 students. Before the IPO, the revenue sources were limited to schools and vocational colleges. In the future, E-Square's curriculum will be converted to match GeniusU's freemium model. Through GeniusU's platform, the company plans to make E-Square's offerings available globally.

Genius Group will expand campuses to allow students to receive education online via home-schooling or through the campuses and partner schools. Its primary and secondary school programs will form the base for Genius Group's primary and secondary education curriculum. The curriculum will be a year-by-year program designed in a way that equips students with the knowledge to pass standardized tests allowing them to attain a high school diploma while also learning other vocational skills. Individual courses like Microsoft Certifications will be offered as full-time courses on GeniusU. The company also plans to combine E-Square's mobile learning systems with Education Angels' model. E-Square's hybrid teaching methodology will be extensively used in the Genius curriculum, allowing flexibility for both faculty and students.

University of Antelope Valley (UAV)

University of Antelope Valley (UAV) is a private university based in California. It is a government-accredited university that provides bachelor's, master's, and associate degree level programs as well as vocational certifications and continuing education courses. While it was set up originally as a medical college, it currently provides courses in high-demand sectors, including business, legal, communications, education, and medical fields. Its courses are available via both on-campus and online modes and are designed to develop vocational skills in students.



Exhibit 6: University of Antelope Valley, California Campus. Source: [University of Antelope Valley](https://www.uav.edu/)

UAV is accredited by the Western Association of Schools and Colleges (WASC). It also has a Title IV accreditation from the U.S. Department of Education, allowing it to offer its students Federal Financial Aid. UAV is Student and Exchange Visitor Program (SEVP) certified, which allows it to accept international students both as full-time and exchange students. The university ranks #37-#48 in the Regional Colleges West category in U.S. News rankings.³ UAV also has an active athletics team that is a member of the National Association of Intercollegiate Athletics (NAIA) and competes at the California Pacific Conference every year.

Genius Group plans to digitize all of UAV’s offerings and integrate them on GeniusU’s EdTech platform. Its programs will be enhanced using GeniusU tools and concepts from the Genius Curriculum. Adding these degree programs to GeniusU will allow students across the world to obtain a highly accredited U.S. degree. These courses will continue to be available at UAV’s Lancaster, California campus for students preferring in-person education. Genius Group plans to use this campus as an innovation lab that will be instrumental in developing the Genius Curriculum. The Group plans to achieve this by attracting top talent, faculty, researchers, and corporate partners to the UAV campus.

Genius Group plans to digitize all of UAV’s offerings and integrate them on GeniusU’s EdTech platform

Before the acquisition, UAV earned revenues only from students physically attending courses at the Lancaster campus. During the COVID-19 pandemic, UAV switched the on-campus learning mode to a completely online one. For 2020, its revenues stood at \$10.1 million with over 1,500 students. As of June 2021, the total number of students stood at over 3,000. Revenues for the first half of 2021 were \$3.5 million. Genius Group expects an increase in revenue once the courses and degree programs are digitized and made available to students across countries via GeniusU.

³ <https://www.usnews.com/best-colleges/university-of-antelope-valley-666993/overall-rankings>

Property Investors Network

Property Investors Network (PIN) is an investor education platform based in the U.K. It is the only IPO acquisition that was already using the GeniusU platform to deliver its courses. PIN focuses mainly on providing real estate investment education. It has more than fifty city chapters in England that organize monthly investor meetups either online or in person. These meetings are attended by students and real estate investors alike. Guest speakers and experts share their knowledge and experience at these events.

PIN has around 147,000 students, with over 25,000 of them as paid students. It follows a city model where respective city hosts manage each chapter of PIN. Students can join any chapter based on their preferences. This model has been highly successful in England. Genius Group plans to replicate this model in cities around the world. It will look to expand its faculty network globally using the GeniusU platform. All events and meetups will be organized using the event management tool on GeniusU. Major sources of revenue are events, memberships, and property education courses. PIN also organizes summits, micro-courses, and long-term mentorship programs. Currently, mentor resources for faculty members that deliver courses are limited. Genius Group plans to add both free and paid mentor resources to PIN's offerings. Before the acquisition, revenues were concentrated only from England and limited due to higher in-person delivery of resources than virtual learning.

GeniusU plans to attract students and faculty from different countries, increasing its user base and revenues. Revenues for 2020 were \$4.6 million. Revenues for 2021 H1 were \$3.2 million. Some parts of PIN's curriculum will be included in Genius Group's high school and university curriculum, as investment education and financial literacy are at the core of Genius Group's vision. Genius Group and PIN will follow a shared vision of providing quality entrepreneur education, and PIN's curriculum will form an integral part of Genius Group's adult learning resources.

Unique Growth Strategy

The current global education landscape is characterized by fragmented frameworks designed to act as a one-fits-all system for students of all kinds. Different education levels such as primary and secondary schooling, university degrees, and professional training exist in silos, and there's a lack of strong links between them. Additionally, these include standardized and rigid curriculums that are not keeping pace with rapid advancements in the 21st century.

Genius Group aims to completely disrupt this market by providing learners of all ages a dynamic, innovative curriculum tailored to their individual acumen and objectives. GeniusU will act as a single destination for all educational levels, thus allowing seamless integration between these levels where students or even professionals can learn on-demand.

A major problem with education today is accessibility. The majority of good-quality institutions are concentrated in rich and developed countries. It is difficult for students from developing and under-developed countries to access and afford such education. Education technology companies that provide an online curriculum possess the capability to make good quality education available to many deserving individuals across the world. Along with this, the Genius curriculum is built on principles of entrepreneurship. These principles develop skills that allow students to create and

PIN has over 147,000 students, with more than 25,000 paying students. Genius plans to replicate the PIN model in cities around the world

Genius Group's unique platform enables it to offer its services to a broad group of learners across vast geographies

lead their own enterprises, often in their home countries. Entrepreneurship is one of the key drivers of development in developing countries. This allows for more inclusive growth for the entire world.

A key enabler of this accessibility is technology. The use of technology is at the core of Genius Group's mission. Complex features such as learning dashboards, management solutions, A.I.-based features, etc., require substantial investment in technology. However, this alone is not enough as the users also require technologically capable devices that can support such features and bring the most value. Improvements in the performance of personal devices now allow users to access these features even from a smartphone. With increasing investments in the telecommunications sector, internet-enabled devices are now available to millions of new users who can conveniently access such services. This could prove to be a major catalyst for organic growth in the future.

While Genius Group aims to provide an alternative to current curriculums in different countries, its plan also includes acquiring education companies with government accreditations. As a result, these programs offered by Genius Group will be eligible to receive government funding in countries where governments partially or fully fund education for their citizens. This can drastically reduce costs for the end-user, which can drive user growth in these countries.

The global education and training market is expected to be worth over \$10 trillion by 2030. An increase in the world's population and the demand for a skilled workforce will be the major drivers behind this growth in education spending. The recent COVID-19 pandemic has also caused a major shift in how the world approaches education. The pandemic disrupted educational systems across the world, especially primary and secondary schools. This has caused students' progress to lag, creating a gap that must be filled. This has provided a huge boost to education technology companies. Genius Group has a portfolio of companies that cover the entire horizon of an individual's learning journey. Coupled with the organic and inorganic growth drivers, the company seeks to capture a significant portion of this huge market.

Global Education Market

The Global Education Market consists of two sub-sectors, the education market and the training market. Traditionally, these two were considered separate independent markets, but with increasing innovation in the EdTech space and demand for new forms of learning, these markets are converging.

Pre-school, school, and college education are part of the education market, whereas adult learning, professional training, certifications, and corporate training are part of the training market. Genius Group aims to be a leader in the combined global education market, providing learning resources and platforms for all stages of learning, right from pre-K to adult continuing education and training.

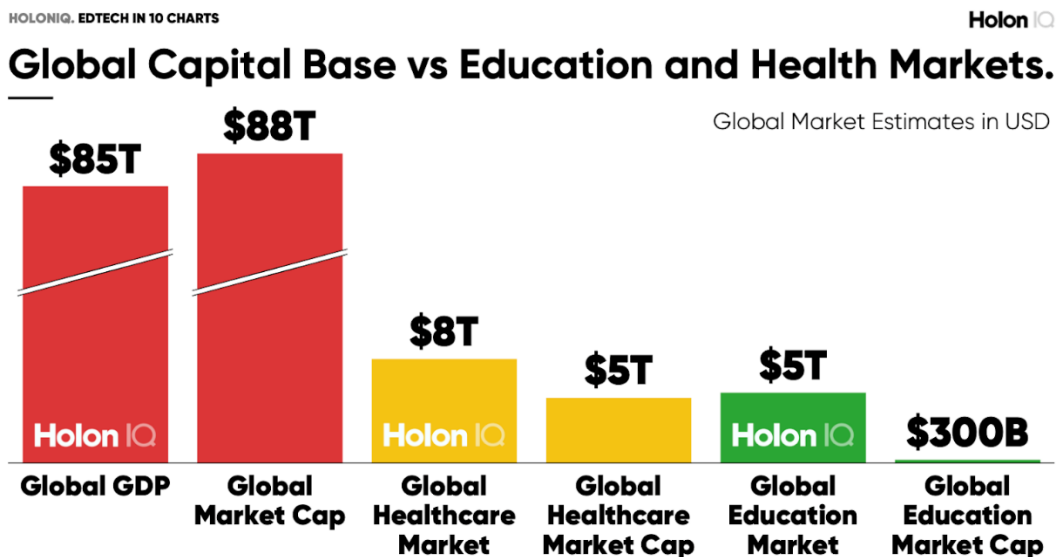
According to research by UNESCO in its 2018 Global Education Monitoring Report, the annual education expenditure (including government and household expenditure) for the world was

The global education market is one of the biggest markets in the world with the total spends approaching \$10 trillion by the end of this decade

estimated to be \$4.7 trillion.⁴ The report also states that around 65% of the expenditure is in high-income countries. This implies that low and middle-income countries are still underspending on education. To achieve higher growth, low and middle-income countries will experience an increase in total education expenditure, which will add to the global expenditure.

Growth will be driven majorly by rapidly developing Asian and African countries. Estimates by HolonIQ indicate that the global education and training expenditure will cross \$10 trillion by the year 2030.⁵ According to IIASA and Wittgenstein Centre, the world population is expected to rise by an additional 1 billion people by 2030.⁶ This substantial increase in population, especially in developing countries, will require efficiently and sustainably scaling up of educational services. Apart from the rising population, new technological innovations will also require mass reskilling of the existing workforce. This creates huge opportunities for EdTech platforms with newer and inclusive learning systems.

HolonIQ’s research mentions that global education is severely underfunded compared to other industries. Substantial investments and capital are required in order to meet the increasing demand for education and training services.



Source: HolonIQ, World Bank, World Health Organization, Standard & Pours. All figures are rounded estimates based on source research.

Exhibit 7: Global Capital Base vs. Global Education Market Cap. Source: HolonIQ

Not just traditional education methods but digital learning and EdTech industries have also seen tremendous growth. The COVID-19 pandemic has brought an inflection point in these sectors as a record number of students and professionals have adopted online learning methods. Grand View Research estimates the EdTech market to grow at a CAGR of 16.5% from 2022 to 2030.⁷ In 2020, EdTech companies in the U.S. alone raised a massive \$2.2 billion.⁸

⁴ <http://gem-report-2019.unesco.org/chapter/finance/>

⁵ <https://www.holoniq.com/2030/10-trillion-global-education-market/>

⁶ <https://iiasa.ac.at/models-and-data/approach-to-human-capital-projections>

⁷ <https://www.grandviewresearch.com/industry-analysis/education-technology-market>

⁸ <https://www.edsurge.com/news/2021-01-13-a-record-year-amid-a-pandemic-us-edtech-raises-2-2-billion-in-2020>

Competitive Overview

Genius Group plans to become a single destination for students to access learning resources for all stages of their lives, from birth to over eighty-year-old. The Genius curriculum is currently designed to supplement traditional education modules in schools and colleges. In the future, the company plans to design courses in such a way that these will act as a substitute for the current standardized curriculums. Genius Group aims to replace aging curriculums with one that can develop 21st-century skills in students in a sustainable, accessible, and inclusive manner. According to a white paper published by the World Economic Forum, the 21st-century requires content that develops innovation and technology skills, interpersonal skills, and global citizenship skills in a practical and collaborative manner.⁹ While there are thousands of companies in the EdTech space, most of them are focussed on providing complementary resources to existing learning systems. Several companies compete in the same segments as Genius Group. Companies such as NeighborSchools, OutSchool, and BrainPOP provide early childhood education.

Genius Group positions itself to provide education at all age-levels

The K-12 level is the most active segment for investors. It has a number of unicorns, including Byju's, Lead School, and Zuoyebang. For post-secondary education, companies provide online tailored learning programs allowing students to gain degrees remotely. Some companies include Emeritus, upGrad, Udacity, and Huike. Apart from these, there are other online certificate course providers that have become increasingly popular such as Coursera, edX, and Udemy. For upskilling and corporate training, the programs are mainly sponsored by employers but may be used by employees to grow in their careers. BetterUp, Guild Education, Articulate, Masterclass, and Degreed are major players in this market.

Company	Country	Industry	Founding Year
HuJiang	China	Alternative Online Learning	2001
Udemy	U.S.A.	Online Courses	2010
BYJU's	India	K-12, Competitive Exam Prep.	2011
Coursera	U.S.A.	Online Courses	2012
BetterUp Inc.	U.S.A.	Professional Coaching, Corporate Training, Adult Learning,	2013
Masterclass	U.S.A.	Professional Coaching, Upskilling	2014
Zuoyebang	China	K-12 Schooling and Tutoring	2014
Emeritus	India	Online Certifications	2015
Guild Education	U.S.A.	Corporate Training, Professional Coaching	2015
upGrad	India	Upskilling, Online Degree Programs	2015

⁹ https://www3.weforum.org/docs/WEF_Schools_of_the_Future_Report_2019.pdf

Exhibit 8: Emerging EdTech Companies in the World Source: Diamond Equity Research

Asian countries, mainly India and China, are home to several new companies in the EdTech industry, with valuations matching or surpassing companies based in developed countries. The following map shows the level of concentration of EdTech companies by country.

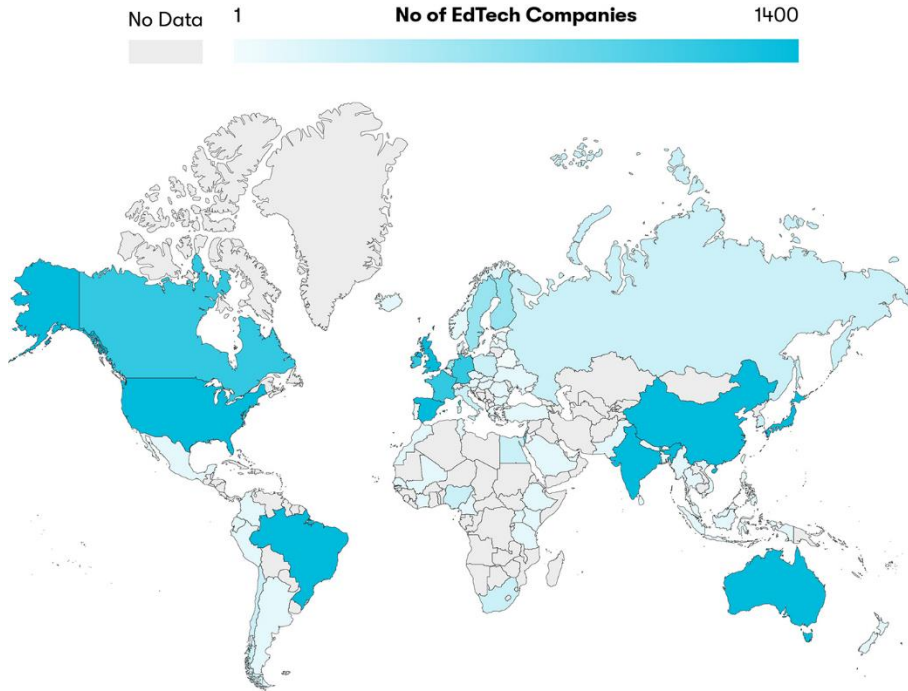


Exhibit 9: EdTech Headquarters Around the World. Source: [State of EdTech](#), RS Components

One major difference that Genius Group has is that none of the companies discussed are positioned to be providing education at all levels. Additionally, there are very few companies that are developing an alternative curriculum which gives Genius Group a headstart. While it has planned more acquisitions, Genius Group’s current portfolio of companies already covers almost all levels of education, right from pre-K, K-12, university education, and professional training and upskilling. This gives Genius Group a distinct advantage over its competitors.

Genius Group is focussing on developing an alternative education curriculum

Management Overview

Genius Group's management team consists of experienced entrepreneurs who have built successful companies during their careers. The management is based across countries such as Australia, Singapore, and the United Kingdom and leads the globally dispersed teams of Genius Group.

- **Mr. Roger James Hamilton, CEO & Chairman**

Roger James Hamilton is the founder of Genius Group, Entrepreneurs Institute, and Entrepreneur Resorts, which form the core of Genius Group. He has been Genius Group's CEO and Chairman since 2015. Mr. Hamilton also founded Wealth Dynamics and Talent Dynamics, which form the base of GeniusU's student assessments to personalize each student's learning journey. He is also the CEO of Entrepreneur Resorts, which was acquired by Genius Group. Mr. Hamilton is an entrepreneur and educator with over 30 years of experience. He is also a New York Times bestselling author. He holds his B.A. from the University of Cambridge.

- **Ms. Michelle Clarke, Chief Marketing Officer**

Michelle Clarke has been the Chief Marketing Officer of Genius Group since 2017. She has been working with Mr. Hamilton since 2009, when they founded Talent Dynamics. Ms. Clarke is also the Chief Partnerships Officer at GeniusU, where she works with top partners to help grow their business and presence on GeniusU. She is based out of the U.K. Michelle went to Lytham St. Annes High Technology College.

- **Mr. Suraj Naik, Chief Technology Officer**

Mr. Naik, has been the Chief Technology Officer for Genius Group since 2017. He led the launch of GeniusU. Mr. Naik has also worked on the launch of Wealth Dynamics and Millionaire Master Plan for Mr. Hamilton. Before joining Genius Group, he developed an online event ticketing platform in India that he sold to Idea Wave Ventures. He is currently based out of Singapore. Suraj holds an MBA from James Cook University, Australia.

- **Mr. Jeremy Harris, Chief Financial Officer**

Jeremy Harris has been serving as the Chief Financial Officer of Genius Group since 2017. Mr. Harris has over 25 years of experience in accounting and financial advisory services. He is also the CFO of Grow CFO Co., an Australian company that provides startups with financial and cash flow advisory services. He holds a bachelor's degree from the Queensland University of Technology and has previously been a registered tax agent and financial advisor. Mr. Harris specializes in providing strategic financial consulting to entrepreneurs. He is based out of Australia.

- **Mr. Brad Warkins, Chief Operating Officer**

Mr. Brad Warkins was recently appointed as the Chief Operating Officer of Genius Group in April 2022. His career spans over 30 years, with stints in digital media, edutainment, and technology. He was the President and COO of Gaia Inc., a U.S.-based streaming media company that saw its subscribers grow from 0 to 750,000 under his leadership.

- **Mr. Daniel Acutt, Global Investments Manager**

Mr. Acutt heads the Global Investments division at Genius Group. He is responsible for investment raising for Genius Group and its subsidiaries. Mr. Acutt has a Swiss higher diploma in Business and Hospitality. He is currently pursuing MSc. in Finance and Investment Management. He has also founded multiple companies and is a seasoned entrepreneur.

Financial Statement Analysis

Organic and inorganic expansion - Genius Group has created a solid foundation focusing on adding value within each company under its pre-IPO group. The company has grown its revenue from \$4.8 million in 2018 to \$9.9 million in 2019, owing to both organic (onboarding of additional paying students) and inorganic growth (acquisition of entrepreneurship resorts). Affected by the pandemic, the top line saw a decline in revenue in 2020 due to resorts' closure, while the education revenue had a 2% growth. The company was able to grow in 2021, reporting revenue of \$12.78 million. Following its IPO, Genius Group announced the closing of two out of four of its IPO acquisitions, while the company is in the process of closing additional two acquisitions.

The four IPO acquisitions are likely to reflect the company's financial statements starting in 2022. The recent acquisitions will likely create synergistic value by integrating acquired companies into the group, leveraging big data and AI capabilities to create a personalized curriculum, and adding the complementary program to the Genius curriculum. We model the company to generate revenue of approximately \$43.32 million in 2022 and approximately \$58.44 million in 2023, aided by post-pandemic recovery, an increase in conversion rates, and growth in the number of paying students.

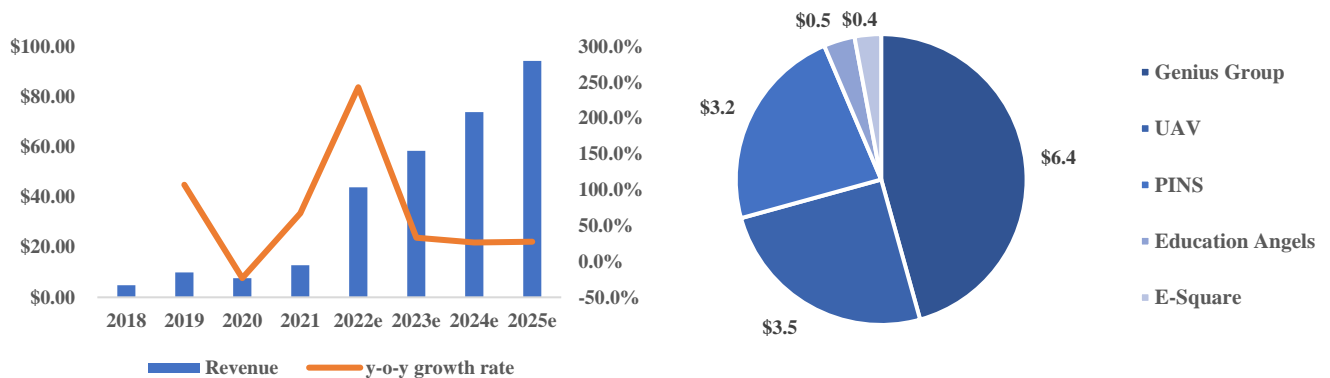


Exhibit 10: Revenue (left), Revenue Breakdown by Businesses – Six Months Ended 2021 (right) Source: Company Filings, Diamond Equity Research

Accelerated investment in infrastructure and marketing - Genius group is likely to continue investing in developing a holistic curriculum that can serve as the replacement for the traditional schooling system. We expect the company to invest 3% of consolidated revenue in content and curriculum development. Historically the company has relied on word of mouth, partner referrals, and paid digital advertising to acquire new paying students. The overall advertising spending was less than 6% of the revenue for Genius U and less than 4%, including the IPO acquisitions. While for the proforma group (inclusive of acquisition) the average acquisition cost per new paying student was \$154 in 2020 and \$163 during the six months ended 2021 compared to an average revenue per new paying student at \$1,125 and \$1,209 for the same period.

Margins normalizing - The company has seen high volatility in its margins which were majorly affected by the pandemic. The pre-IPO group’s campus education and entrepreneurship resorts’ revenue and margins were majorly impacted due to COVID-induced closures. Similarly, UAV and PINS were also affected as in-person education came to a standstill. Cost reduction measures and government support provided a cushion to margins, lowering some of the impacts. We expect the margins to normalize at the pre-pandemic level starting in 2022. We expect the combined gross margins to stand at roughly 63% and operating margins at approximately 10% in 2023.

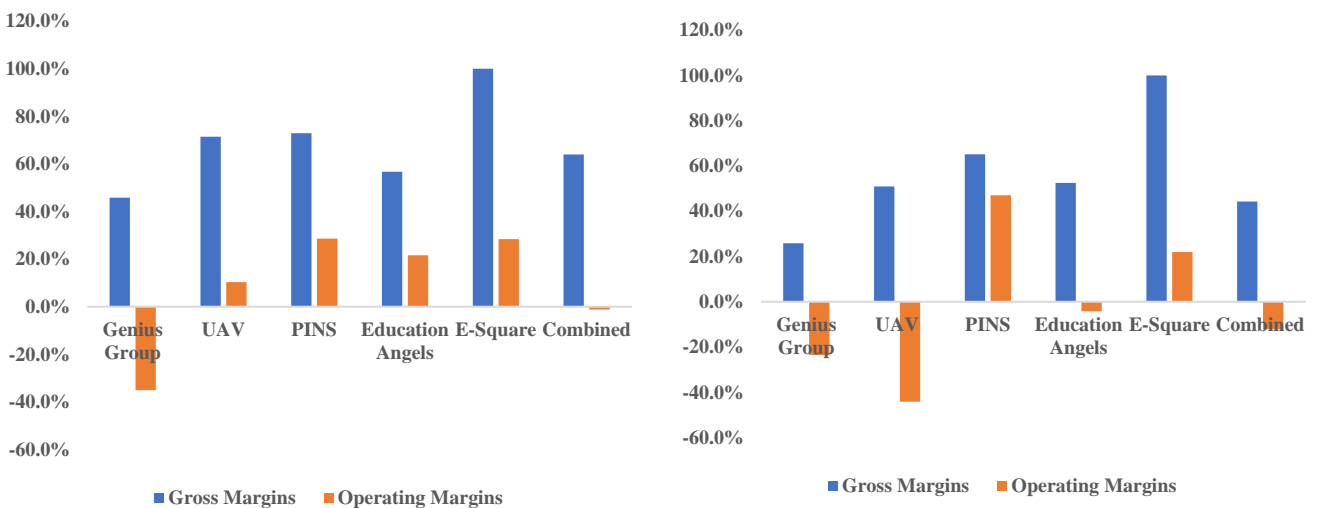


Exhibit 11: Margin Profile (left – December 2020, right – June 2021). Source: Company Filings, Diamond Equity Research

Interest cost and leverage manageable - Genius Group reported a total debt balance of ~\$2.54 million compared to a cash balance of ~\$2.14 million as of June 2021. The purchase consideration for the University of Antelope Valley amounted to \$30 million of which \$6 million is to be paid in the form of Genius Group ordinary shares, while the rest \$24 million is to be paid in cash. The cash component includes a note payable for \$17.5 million over three years at a simple annual interest rate of 5%. This takes the combined total debt of the company to over \$20 million with a proforma cash balance of ~\$11 million as of June 2021. Considering the acquisition, the total interest cost stands at \$1.4 million which we believe is serviceable from cash flow from the operation (CFO) modelled at \$12.0 million for FY 2023E and the company’s current cash position.

Year-end 31 December	2020	2021	2022e	2023e	2024e
INCOME STATEMENT					
Revenue	\$7,633,776	\$12,778,262	\$43,862,868	\$58,444,197	\$73,895,554
Gross Profit	\$3,499,668	\$2,757,458	\$27,706,768	\$36,732,538	\$46,330,191
EBITDA	(\$2,639,943)	(\$4,129,620)	\$3,946,301	\$8,569,899	\$12,450,511
Depreciation & Amortization	(\$40,906)	(\$38,864)	(\$3,050,698)	(\$4,784,435)	(\$5,374,314)
Profit Before Tax (PBT)	(\$3,123,069)	(\$4,618,050)	\$101,550	\$2,480,179	\$5,881,667
Profit After Tax (PAT)	(\$3,192,314)	(\$4,489,198)	\$84,286	\$2,058,549	\$4,881,784
Basic Shares Outstanding	12,575,605	16,155,812	21,519,782	21,519,782	21,519,782
EPS - basic	(\$0.25)	(\$0.28)	\$0.00	\$0.10	\$0.23
EPS - diluted	(\$0.25)	(\$0.28)	\$0.00	\$0.10	\$0.23
BALANCE SHEET					
Cash and cash equivalents	\$2,273,151	\$1,784,938	\$7,005,749	\$14,389,360	\$22,801,209
Other current assets	\$2,663,452	\$4,711,224	\$16,049,035	\$16,187,928	\$18,697,893
Total current assets	\$4,936,603	\$6,496,162	\$23,054,784	\$30,577,287	\$41,499,102
Non-current assets	\$12,021,110	\$11,099,245	\$51,285,953	\$51,177,054	\$50,236,474
Total Assets	\$16,957,713	\$17,595,407	\$74,340,737	\$81,754,341	\$91,735,576
Short-term borrowing	\$655,113	\$998,731	\$6,870,113	\$6,870,113	\$6,870,113
Other current liabilities	\$4,723,886	\$6,140,866	\$15,879,348	\$19,803,076	\$23,178,858
Total current liabilities	\$5,378,999	\$7,139,597	\$22,749,461	\$26,673,189	\$30,048,971
Long-term borrowing	\$1,689,268	\$852,104	\$14,223,639	\$14,223,639	\$14,223,639
Other non-current liabilities	\$2,183,357	\$8,757,307	\$9,237,756	\$9,237,756	\$9,237,756
Total liabilities	\$9,251,624	\$9,609,411	\$46,210,856	\$50,134,584	\$53,510,366
Total Equity	\$7,706,089	\$7,985,996	\$28,129,881	\$31,619,757	\$38,225,210
Total Liabilities & Equity	\$16,957,713	\$17,595,407	\$74,340,737	\$81,754,341	\$91,735,576

KEY BUSINESS METRICS*	GeniusU	UAV	PIN	Education Angels	E-Square
Number of students	1,903,726	3,102	146,614	732	677
Number of free students	1,868,171	-	120,246	-	-
Number of paying students	35,555	3,102	26,368	732	677
Number of partners	9,866	238	628	312	43
Number of countries of operations	191	1	52	1	1
Marketing spends	\$395,114	\$110,036	\$225,749	\$6,074	\$31,434
Education revenue	\$5,074,942	\$3,488,724	\$3,184,343	\$478,205	\$415,267
Revenue from new paying students	\$1,268,373	\$1,672,362	\$1,563,898	\$239,102	\$207,634
New Students	103,206	281	155,503	102	131
New paying students	1,635	281	1,949	102	131
Conversion rate	1.58%	n/a	12.57%	n/a	n/a
Average acquisition cost per new paying users	\$181.24	\$391.59	\$115.89	\$59.55	\$239.95
Average annual revenue per new paying users	\$775.56	\$5,951.47	\$802.82	\$2,344.14	\$1,584.99

* Business metrics as of June 2021

Valuation Outlook

We have used DCF as our preferred methodology to value Genius Group Limited. We expect the company to grow its revenue at a CAGR of ~65% over the next five years (2021-2025) mainly aided by inorganic expansion (IPO acquisition). Utilizing a discount rate of 12.90% and incorporating the related comparable companies, we have valued the company at \$242.77 million or \$11.28 per share contingent on successful execution by the company. We view GNS as a high-risk high-reward investment suitable for institutional investors and high-risk tolerant retail investors.

		Approaches (in \$ mm)	Value (USD)	Weight	Wtd. Value (USD)
Calculated Equity Value (\$mm)		DCF	\$263.34	90%	\$237.01
Enterprise Value	\$244.40	GPCM	\$57.59	10%	\$5.76
- Debt and Preferred Stock	\$2.60	GTM	-	0%	\$0.00
+ Cash	\$21.54	Wtd Avg. Equity Value (USD)			\$242.77
Net Debt	\$18.94	No of Shares			21.52
Equity Value	\$263.34	Intrinsic Value Per Share			\$11.28

Company Name	Ticker	Price	Currency	Exchange	Market Cap.	LTM EV/S	LTM EV/EBITDA
Coursera, Inc.	COUR	\$21.95	USD	NYSE	\$3,094.4	3.22x	-
Grand Canyon Education, Inc.	LOPE	\$101.25	USD	NASDAQ	\$33,203.0	2.93x	8.50x
Laureate Education, Inc.	LAUR	\$11.64	USD	NASDAQ	\$2,023.4	2.00x	8.45x
Strategic Education, Inc.	STRA	\$71.06	USD	NASDAQ	\$1,730.1	1.42x	8.45x
2U, Inc.	TWOU	\$11.16	USD	NASDAQ	\$859.2	1.61x	-
Udemy, Inc.	UDMY	\$11.24	USD	NASDAQ	\$1,569.2	2.00x	-
Chegg, Inc.	CHGG	\$27.32	USD	NASDAQ	\$3,461.0	3.51x	18.29x
Duolingo, Inc.	DUOL	\$90.19	USD	NASDAQ	\$3,526.9	8.76x	-
Adtalem Global Education	ATGE	\$30.07	USD	NASDAQ	\$1,497.7	1.50x	7.04x
China East Education Holdings Limited	667	\$4.05	HKD	SEHK	\$8,807.5	1.00x	3.25x
D2L Inc.	DTOL	\$11.56	CAD	TSX	\$612.6	2.40x	-
Instructure Holdings, Inc.	INST	\$18.18	USD	NYSE	\$2,569.7	5.80x	22.64x
Median						2.20x	8.45x
Mean						3.01x	10.95x

Exhibit 12: Valuation Snapshot and Comparable Companies (in \$ million). Source: Diamond Equity Research

Risk Profile

- **Integration Risk** - Genius Group's strategy involves acquiring numerous education companies and then integrating them onto their EdTech platform. A major risk factor here is that it may face issues in integrating courses, resources, and the different stakeholders of each company onto the platform. Failure to do so would lead to substantial losses and hamper operations.
- **Dynamic Environment** - In the 21st century, educational curriculums have to be updated periodically to meet the demands of rapidly developing global industries. Similarly, the entire Genius curriculum too will need to be updated regularly with new content and resources. This requires constant research and development and expenditures.
- **Technological Risk** - Genius Group plans to integrate all group companies on the GeniusU platform. This includes student resources, teacher resources, learning management systems, event management systems, etc. Developing and efficiently managing all these features with different companies and partners could prove to be a challenge.
- **Competition** - There is a significant number of companies in the EdTech industry. This number is expected to grow exponentially with increased investor interest in these companies. Barriers to entry in this field are very low, leading to higher competition. Genius Group will compete with many companies providing education to different age groups. The company will need to maintain a distinct competitive advantage in the long term to be able to compete effectively.
- **Intellectual Property** - GeniusU will host a lot of proprietary courses online. There is a risk of unauthorized users accessing these courses for commercial purposes and not their original purpose. Additionally, like any internet company, Genius Group could be subjected to several intellectual property violation claims about content on their platform, with or without merit. Such frivolous lawsuits or claims could end up drastically increasing legal costs for the company.
- **Data Privacy** - GeniusU is at the core of the ecosystem that Genius Group is planning to create. GeniusU is an internet-based platform, and it is susceptible to data breaches by unauthorized actors. GeniusU currently has around 2 million students that have shared their personal information to create their profiles. It is imperative that Genius Group uses strong data protection systems to safeguard user data.

These risk factors are not comprehensive. For a full list of risk factors, please read Genius Group's latest prospectus and/or annual SEC filings

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