

Genius Group Limited — Reinforces Bitcoin-First Strategy, Rapidly Rebuilding Bitcoin Treasury by 40% Following Favorable Court Ruling

Genius Group Limited (NYSEAM: GNS)

Share Price: \$0.42

Valuation: \$4.30



Key Statistics

52 Week Range	\$0.21 – \$3.20
Avg. Volume (3 months)	2.70M
Shares Outstanding	71.52M
Market Capitalization	\$30.03M
EV/Revenue	0.8x
Cash and Equivalents*	\$1.61M
Analyst Coverage	1

*Cash and cash equivalents as of December 2024

Revenue (in \$mm)

Dec - FY	2024A	2025E	2026E
H1	4.88	3.79	10.26
H2	3.03	8.92	11.30
FY	7.91	12.71	21.56

EPS (in \$)

Dec – FY	2024A	2025E	2026E
H1	(0.84)	(0.08)	(0.04)
H2	(0.19)	(0.06)	(0.03)
FY	(1.03)	(0.14)	(0.07)

Stock Price Chart (in \$)



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Investment Highlights

- Genius Group Resumes Bitcoin Treasury Expansion Following Favorable Court Ruling:** Genius Group has resumed its Bitcoin purchases following a favorable ruling by the U.S. Court of Appeals on May 6, 2025, which stayed a previously imposed Preliminary Injunction (PI). The company had been prevented from purchasing Bitcoin and raising funds since February 14, 2025, due to a Temporary Restraining Order (TRO) and PI issued by the United States District Court for the Southern District of New York (SDNY). As a direct result, Genius was forced to liquidate most of its Bitcoin Treasury, substantially reducing its holdings from 440 Bitcoin down to approximately 61 Bitcoin before the recent acquisitions. With the court's stay now in effect, Genius increased its Bitcoin Treasury by approximately 40% through the purchase of an additional 24.5 Bitcoin, bringing its current holdings to 85.5 Bitcoin, acquired at an average price of \$99,700 per Bitcoin, totaling \$8.5 million. The company reiterated its original November 2024 goal of accumulating 1,000 Bitcoin and is restructuring its operations to facilitate this recovery, including launching a Bitcoin Academy featuring prominent Bitcoin advocates such as Saifedean Ammous, author of "The Bitcoin Standard," by the end of May 2025. Simultaneously, Genius Group has escalated its legal response by filing an amended complaint under the Racketeer Influenced and Corrupt Organizations Act (RICO) in the United States District Court for the Southern District of Florida, seeking damages of over \$750 million (inclusive of treble damages). This filing expands on allegations against Michael Moe and Peter Ritz (controlling officers of LZGI International, Inc.), accusing them of orchestrating fraudulent court actions, including filing false statements that triggered the damaging TRO and PI. The amended complaint introduces additional defendants, Michael Carter and John Clayton, the latter of whom faces a separate SEC lawsuit alleging securities fraud. Genius is cooperating closely with other legal actions brought by LZGI shareholders, including a class action lawsuit in New York and a derivative lawsuit in Florida, with CEO Roger Hamilton actively providing testimony. Despite these challenges, Genius emphasizes its continued commitment to Bitcoin and transparency, actively pursuing measures to recover damages and restore shareholder value from the significant disruption caused by these legal proceedings.
- Valuation:** Genius Group's recent resumption of Bitcoin acquisitions signals a recommitment to its "Bitcoin-first" treasury approach following the lifting of legal restrictions. This move, coupled with the launch of its Bitcoin Academy featuring experts like Saifedean Ammous, highlights the company's strategy to integrate cryptocurrency into its educational model. Despite a challenging year, the company concluded FY2024 with a significantly improved net asset position, reflecting successful restructuring efforts and a renewed focus on high-impact initiatives aimed at enhancing long-term shareholder value. However, the recent stock's performance reflects the challenges and volatility associated with such a transformative strategy. Nonetheless, the company's focus on AI and Bitcoin places it at the forefront of next-generation technology, positioning it to appeal to forward-looking investors seeking exposure to transformative digital learning models and decentralized asset strategies. We have updated our financial model to incorporate the latest financial results and have adjusted our estimates to more accurately reflect the evolving strategic initiatives. Additionally, we have revised our share count and reassessed the comparable company analysis, resulting in a valuation of \$4.30 per share, contingent upon successful execution by the company.

Company Description

Genius Group Ltd. (NYSE: GNS) is a Bitcoin treasury company with an AI powered education platform engaged in providing AI training and AI tools to 5.4 million students in over 200 countries worldwide. It aims to develop an AI-powered lifelong learning curriculum and make its educational products accessible worldwide to all age groups

- Genius Group Reports Fiscal Year 2024 Financials Following Business Restructuring, Legal Roadblocks, and Strategic Recovery Efforts; Projects Growth Ahead:** In FY2024, Genius Group reported audited revenue of \$7.9 million, a sharp decline from \$23.1 million in 2023. The decline was primarily due to a 57% drop in education revenue and the complete elimination of campus revenue, following the spin-off of the resort business in October 2023. Despite the revenue decline, user growth continued with 5.8 million students and users, up from 5.5 million. Operating expenses declined to \$32.7 million from \$48.3 million, contributing to a reduced operating loss of \$30.1 million compared to \$36.1 million in 2023. Total comprehensive loss widened to \$25.0 million, up from \$5.9 million, largely due to non-operational factors. Moreover, Genius Group strengthened its financial position, raising \$55.35 million in 2024, with approximately 90% of the capital being secured through equity issuances. The capital raised has been allocated to the company's Bitcoin Treasury Reserve Strategy, with the goal of accumulating up to 1,000 Bitcoin as part of its long-term digital asset investment plan. During the first half of 2025, the company faced significant legal restrictions related to ongoing litigation, including a court-imposed Preliminary Injunction (PI) that temporarily blocked its ability to raise funds and acquire Bitcoin. This severely impacted operations and delayed growth initiatives. In response, the company took decisive actions, repaying \$20.9 million in Bitcoin-backed loans, reducing its Bitcoin holdings from 440 to 61, and relocating its treasury assets to Singapore in order to safeguard them. However, following a favorable ruling by the U.S. Court of Appeals on May 6, 2025, the PI was stayed, allowing the company to resume normal operations, including fundraising, share issuance, and Bitcoin purchases. The company is now focused on recovery and restructuring, seeking to rebuild from operational disruptions and damages incurred. Despite recent headwinds, Genius Group is committed to its long-term vision, scaling its AI-powered education platforms and Bitcoin-first strategy, with management reaffirming revenue guidance of \$10 million to \$13 million for 2025.
- Genius Group Files RICO Lawsuit Against LZGI Officers Michael Moe and Peter Ritz, Alleging Fraudulent Schemes and Seeking Over \$750 Million in Damages:** On March 31, 2025, Genius Group filed a substantial RICO lawsuit in the United States District Court, Southern District of Florida, against Michael Moe and Peter Ritz, controlling officers and directors of LZGI International, Inc. The lawsuit, seeking over \$750 million in damages (originally \$450 million but updated to \$750 million), alleges that Moe and Ritz orchestrated a sophisticated scheme involving mail fraud, wire fraud, and extortion aimed at defrauding shareholders of both Genius Group and LZGI. Genius asserts the defendants fraudulently induced the company into an asset purchase agreement by presenting false representations regarding asset ownership. Upon failing to achieve their initial objectives, Moe and Ritz allegedly attempted an illegal boardroom takeover and weaponized the U.S. legal process by securing a Temporary Restraining Order (TRO) and Preliminary Injunction (PI) through false statements, effectively blocking Genius from raising capital, issuing shares, and continuing its normal operations. Genius has detailed these claims in a recorded meeting with Ritz, who allegedly threatened to bankrupt LZGI if Genius refused to finance his ongoing fraudulent activities, thereby placing Genius in an untenable situation. In addition to filing this lawsuit with the SEC on Form 6-K, Genius has notified several U.S. and Singapore authorities—including the SEC, DOJ, FBI, and the Commercial Affairs Department of the Singapore Police Force, requesting independent investigation and action. Genius seeks a jury trial and damages of at least \$250 million, amounting to a minimum of \$750 million with statutory treble damages applied. This RICO action, led by securities litigation specialists Basile Law Firm P.C., complements separate ongoing litigation against alleged naked short selling and market manipulation of Genius shares, with anticipated damages potentially ranging from \$251 million to \$263 million.
- Genius Group Cancels Rights Offering and Initiates Share Buyback Amid Legal Challenges and Valuation Opportunities:** In response to prevailing market conditions and regulatory challenges, Genius Group canceled its previously announced rights offering on February 12, 2025, citing a share price significantly below the offering's subscription price. Instead, the Board called an extraordinary general meeting (EGM), subsequently held on April 7, 2025, where shareholders overwhelmingly approved (97.5%) a buyback of up to 20% of the company's issued share capital—the maximum permitted under Singapore law. Concurrently, due to a preliminary injunction issued by the United States District Court (SDNY) restricting the issuance of shares related to employee compensation, the Board approved cash payments as an alternative, allowing affected employees to voluntarily reinvest these funds in Genius Group shares through open-market purchases.

Company Description

Genius Group Ltd. (NYSE: GNS) is a Bitcoin treasury company with an AI powered education platform engaged in providing AI training and AI tools to 5.8 million students 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. The company is building a Genius City model in which students learn the latest exponential technologies and entrepreneurial skills powered by AI mentors.

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.

Genius Group is a Bitcoin Treasury Company with an AI powered education platform to prepare students, entrepreneurs, businesses, and governments towards a Bitcoin-first future



Exhibit 1: Genius Group Business Outlook. Source: Investor Presentation

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 approximately 6 million students, including free and paid users.

Recently, Genius Group has also adopted a “Bitcoin-first” treasury strategy, positioning Bitcoin as its primary reserve asset. The company plans to allocate at least 90% of its reserves to Bitcoin, with an initial target of \$120 million. This strategic shift reflects the company’s commitment to integrating emerging technologies like blockchain alongside AI to strengthen its financial position and embrace decentralized economies. Furthermore, Genius Group has launched initiatives to educate its users on Bitcoin and blockchain, aligning with its mission to lead in future-focused education technologies.

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

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 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.

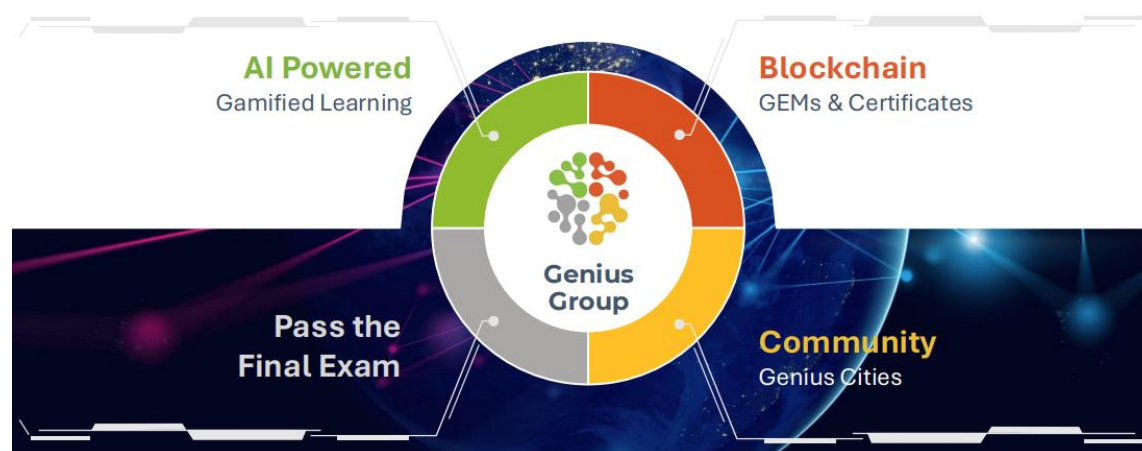


Exhibit 2: Genius Group Decentralized Learning Strategy. Source: Investor Presentation

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 company is building a Genius City model in which students learn the latest exponential technologies and entrepreneurial skills powered by AI mentors.

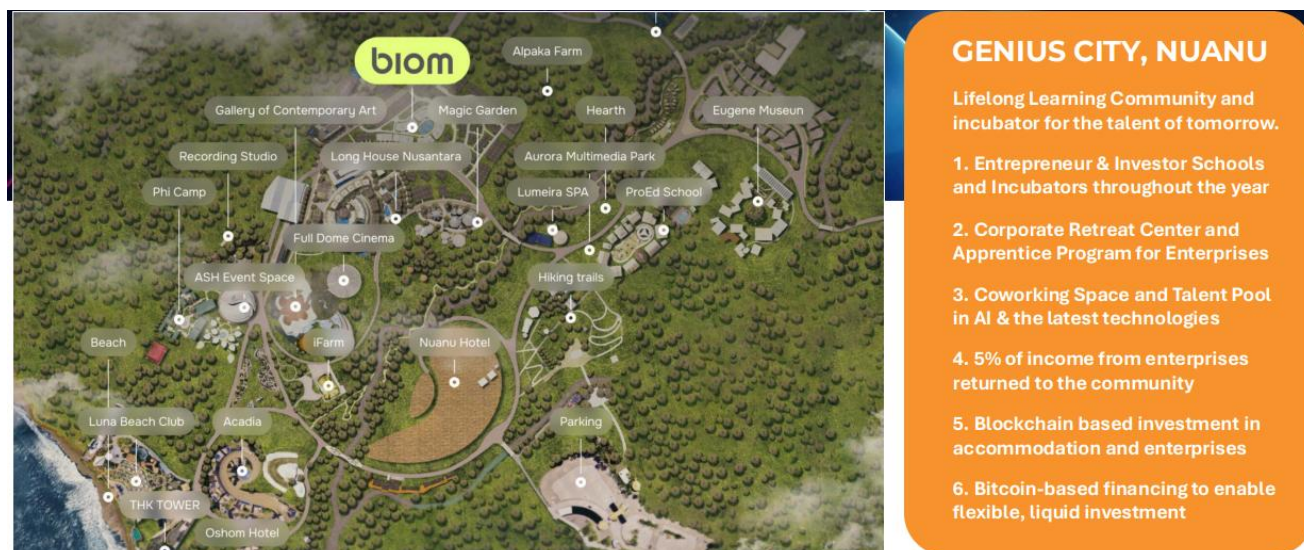


Exhibit 3: Nuanu Genius City Vision 2025. Source: Investor Presentation

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 estimated to be \$4.7 trillion.¹ 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.

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

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 2030.² According to IIASA and Wittgenstein Centre, the world population is expected to rise by an additional 1 billion people by 2030.³ 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.

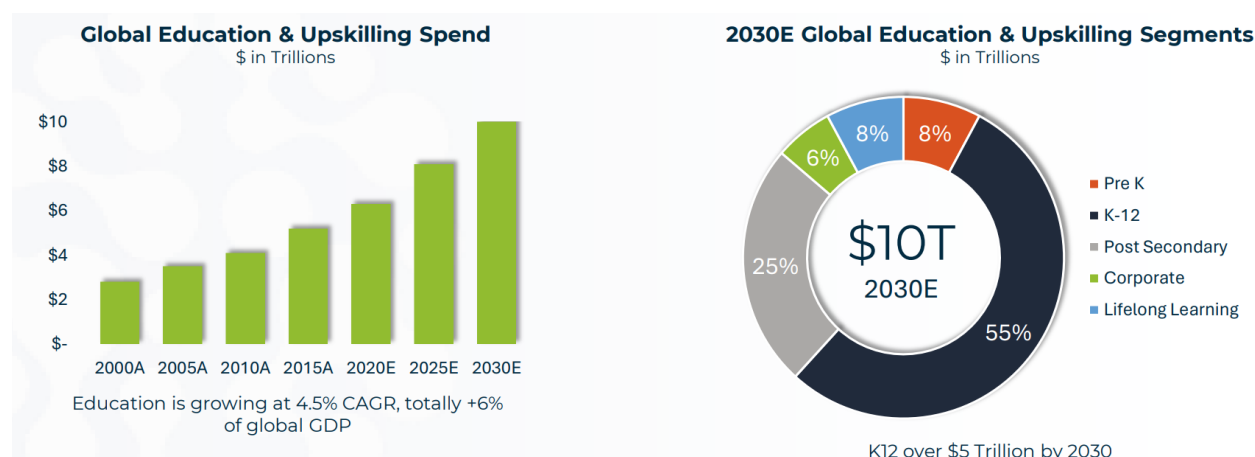


Exhibit 4: Global Education & Upskilling Spend and Segments. Source: HolonIQ

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 2030.⁴ In 2020, EdTech companies in the U.S. alone raised a massive \$2.2 billion.⁵

¹ <http://gem-report-2019.unesco.org/chapter/finance/>

² <https://www.holoniq.com/2030/10-trillion-global-education-market/>

³ <https://iiasa.ac.at/models-and-data/approach-to-human-capital-projections>

⁴ <https://www.grandviewresearch.com/industry-analysis/education-technology-market>

⁵ <https://www.edsurge.com/news/2021-01-13-a-record-year-amid-a-pandemic-us-edtech-raises-2-2-billion-in-2020>

Appendix

Income Statement	FY2023 A	FY2024 A	FY2025 E	FY2026 E	FY2027 E
Net sales	23,062,754.0	7,912,718.0	12,708,389.3	21,563,840.1	29,393,765.8
Cost of sales	(11,126,432.0)	(5,330,051.0)	(4,391,797.2)	(6,272,488.1)	(8,684,918.9)
Gross profit	11,936,322.0	2,582,667.0	8,316,592.0	15,291,352.0	20,708,847.0
Operating expenses					
General and administrative expenses	(29,904,423.0)	(22,444,493.0)	(17,830,003.2)	(22,174,674.4)	(20,790,546.3)
Other operating income	34,794.0	24,517.0	25,416.8	43,127.7	58,787.5
(Loss) gains from foreign currency translations	(375,407.0)	(375,036.0)	-	-	-
EBITDA	(18,308,714.0)	(20,212,345.0)	(9,487,994.3)	(6,840,194.7)	(22,911.8)
Depreciation and amortization expenses	(2,695,741.0)	(1,469,112.0)	(1,223,469.0)	(1,240,605.1)	(1,266,083.9)
Other income/ (expense)					
Change in fair value of Bitcoin	-	-	3,139,426.2	3,710,410.6	4,463,633.7
Other income	207,142.0	884,193.0	-	-	-
Other expense	(9,796.0)	(975,470.0)	-	-	-
EBIT	(20,807,109.0)	(21,772,734.0)	(7,572,037.1)	(4,370,389.3)	3,174,637.9
Interest income	45,104.0	-	32,298.7	81,786.6	117,204.6
Interest expense	(3,739,617.0)	(1,146,440.0)	(4,279,468.5)	(4,279,468.5)	(4,279,468.5)
Profit before exceptional items, extraordinary items and tax	(24,501,622.0)	(22,919,174.0)	(11,819,207.0)	(8,568,071.2)	(987,626.0)
Gain on lease modification	308,763.0	-	-	-	-
Revaluation adjustment of contingent liabilities	32,774,594.0	3,714,000.0	-	-	-
Revaluation of digital assets	-	440,145.0	-	-	-
Impairment loss	(15,371,643.0)	(8,426,865.0)	-	-	-
Profit before tax from continuing operations	(6,789,908.0)	(27,191,894.0)	(11,819,207.0)	(8,568,071.2)	(987,626.0)
Income tax (expense) benefit	1,078,686.0	2,252,072.0	-	-	-
Net earnings including noncontrolling interests	(5,711,222.0)	(24,939,822.0)	(11,819,207.0)	(8,568,071.2)	(987,626.0)

Exhibit 5: Income Statement Snapshot. Source: Diamond Equity Research

Risk Profile

- **Bitcoin Volatility Risk:** The company's "Bitcoin-first" treasury strategy exposes it to significant risk from Bitcoin's price volatility. Fluctuations in Bitcoin's value could materially impact the company's financial stability, asset valuation, and shareholder confidence, particularly in the event of sharp market downturns or prolonged periods of price decline.
- **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.

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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