

June 6, 2023



Genius Group Announces 119% Revenue Growth for Full Year 2022, Expansion of Pro Forma Gross Margin to 53%

SINGAPORE, June 06, 2023 (GLOBE NEWSWIRE) -- [Genius Group Limited](#) (NYSE American: GNS) ("Genius Group" or the "Company"), a leading entrepreneur edtech and education group, today announced its financial results for the full year 2022.

Full Year 2022 Financial Highlights

- Revenue growth of 119% to \$18.2 million in 2022 from 2021 revenues of \$ 8.3 million
- Revenues on pro-forma basis of \$28.1 million in 2022
- Gross margin of 47% in 2022, compared to a gross margin of 33% in 2021
- Pro forma gross margin of 53% in 2022
- Net loss of (\$55.3 million) in 2022 compared to net loss of (\$4.5 million) in 2021 and pro forma net loss of (\$54.9 million) in 2022, partially due to the Company's annual valuation testing of its goodwill and intangible asset fair market values,
- Adjusted EBITDA net loss of (\$7.8 million) in 2022 compared to an adjusted EBITDA net loss of (\$2.3 million) in 2021 and pro forma adjusted EBITDA net loss of (\$7.3 million) in 2022
- Cash and equivalent as of December 31, 2022, of \$5.7 million compared to \$1.8 million as of December 31, 2021
- Total assets of \$91.3 million as of December 31, 2022 compared to \$17.6 million as of December 31, 2021
- Intangible assets of \$16.1 million as of December 31, 2022 compared to \$1.4 million as of December 31, 2021 as a result of the acquisitions completed this year
- Goodwill of \$31.7 million as of December 31, 2022 compared to \$1.3 million as of December 31, 2021 as a result of the acquisitions completed this year
- \$36.5 million in derivative liabilities as of December 31, 2022 due to \$12.5 million in contingent consideration and \$24.0 million in options

2022 Student and Partner Growth Highlights

The Company exceeded its growth targets for students and partners:

- Students and users growth of 58%, from 2.8 million students at the end of 2021 to 4.5 million students and users at the end of 2022, representing an average daily growth of 4,452 new students and users per day
- Paying students and users growth of 137%, from 72,422 students and users at the end of 2021 to 171,919 paying students and users at the end of 2022, representing an average daily growth of 272 new paying students and users per day
- Partner growth of 29% from 11,414 at the end of 2021 to 14,760 at the end of 2022

Roger Hamilton, CEO of Genius Group, commented: “Genius Group has had a transformative year since its IPO in April 2022. We completed the acquisitions of 5 companies, grew at a significantly faster rate than the Edtech industry¹, signed strategic partnerships and established an experienced leadership team to drive the growth of Genius Group and its subsidiaries. We plan to continue on this growth trajectory in 2023 as we attract new free and paying students, sign new partnerships, further integrate our past acquisitions and pursue our acquisition strategy.”

2022 Strategic and Operational Highlights

- IPO of Genius Group on the NYSE American in April 2022
- Appointment of experienced leadership team and Board members including Erez Simha, Rav Karwal, Tim Murphy and Richard Berman
- Entered into a Securities Purchase Agreement for the sale of \$18.1 million principal amount of Senior Secured Convertible Notes in a private placement with an institutional investor for a purchase price of \$17 million
- Completed the acquisitions of Education Angels, Property Investors Network Ltd, E-Square Education Enterprises (Pty) Ltd, the University of Antelope Valley Inc and Revealed Films Inc
- Continued growth of GeniusU edtech platform with students in 200 countries
- Expanded entrepreneur education offering from entrepreneurs and investors to a lifelong learning pathway from early age to 100 years old
- Launched Entrepreneur Campus and Investor Campus, with Global Summits featuring New York Times Bestselling Authors and Social Media Thought Leaders.

Recent Strategic and Operational Highlights

- Share repurchase and share consolidation resolutions approved during the Extraordinary General Meeting held in February 2023
- Issued a \$10 per share digital discount coupon to Genius Group shareholders in partnership with Upstream Exchange
- Genius Group dual listing on Upstream in April 2023
- Board and shareholder approval, pending NYSE approval for a \$37 million spin-off of Entrepreneur Resorts Ltd (based on its current share price), scheduled for Q3 2023
- Launch of 2023 Prospectus featuring personalized, lifelong learning pathway in entrepreneur education
- Launch of California Business School at UAV and partnership with Swiss School of Business and Management, delivering MBA and DBA courses with access to Genius Group’s Global Entrepreneur Program, featuring New York Times Bestselling Authors in leadership, marketing, technology and entrepreneurship
- Continued student and partner growth on GeniusU platform, with launch of AI-based Partner Portal and Genie AI, powered by GPT4
- Increased management focus on larger strategic acquisitions as a key growth strategy

Financial Guidance

Genius Group maintains its 2023 financial guidance as we will accelerate the integration of our acquired companies and expect growing operating leverage driven by top line synergies from our EdTech platform and the digitization of our portfolio of products. We believe this will allow Genius Group to accelerate organic growth and provide a clear path to positive

EBITDA in 2023.

Webcast and Conference Call

Genius Group will host a live webcast to discuss the results Tuesday June 6 at 5:00 p.m. ET / 5:00 a.m. SGT. The webcast and supplemental information can be accessed on the investor relations section of the [Genius Group website](#). An archive will be available after the conclusion of the live event and will remain available via the same link for 6 months.

Time: Tuesday, June 6, 2023, at 5:00 p.m. ET / 5:00 a.m. SGT

Webcast: Click on this [link](#) or go to the Investor Relations section of the [Genius Group website](#) to listen and view the slides.

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About Genius Group

Genius Group is a leading entrepreneur Edtech and education group, with a mission to disrupt the current education model with a student-centered, life-long learning curriculum that prepares students with the leadership, entrepreneurial and life skills to succeed in today's market. The group has a group user base of 4.5 million students and users in 200 countries, ranging from early age to 100.

For more information, please visit <https://www.geniusgroup.net/>.

Investor Notice

Investing in our securities involves a high degree of risk. Before making an investment decision, you should carefully consider the risks, uncertainties and forward-looking statements described in our most recent Annual Report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on June 6, 2023. If any of these risks were to occur, our business, financial condition or results of operations would likely suffer. In that event, the value of our securities could decline, and you could lose part or all of your investment. The risks and uncertainties we describe are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. In addition, our past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results in the future. See "Forward-Looking Statements" below.

Forward-Looking Statements

Statements made in this press release include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by the use of words such as "may," "will," "plan," "should," "expect," "anticipate," "estimate," "continue," or comparable terminology. Such forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised

to consider the factors listed above together with the additional factors under the heading “Risk Factors” in the Company's Annual Reports on Form 20-F, as may be supplemented or amended by the Company's Reports of a Foreign Private Issuer on Form 6-K. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

GENIUS GROUP LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in US Dollars)

		For the year ended December 31,	
	Note	2022	2021
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 5,720,569	\$ 1,784,938
Restricted cash	2	11,108,816	—
Accounts receivable, net	2	4,856,637	1,018,003
Other Receivables	5	120,304	66,000
Due from related parties	6	351,357	44,245
Inventories	7	1,001,977	92,530
Prepaid expenses and other current assets	8	1,090,787	3,490,446
Total Current Assets		24,250,447	6,496,162
Property and equipment, net	9	563,131	6,776,116
Operating lease right-of-use asset	10	12,573,710	1,077,241
Investments at fair value	11	29,071	29,069
Goodwill	12	31,688,887	1,320,100
Intangible assets, net	13	16,107,293	1,394,969
Other receivables	5	732,716	—
Due from related parties	6	5,288,264	—
Other non-current assets	15	26,108	501,750
Total Assets		\$ 91,259,627	\$ 17,595,407
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts payable		\$ 1,672,306	\$ 1,078,381
Accrued expenses and other current liabilities	16	3,809,540	2,064,302
Deferred revenue	17	6,391,993	2,561,912
Income tax payable	2	355,023	—
Due to related parties	19	2,932,090	425,551
Operating lease liabilities - current portion	10	1,590,538	436,271
Loans payable - current portion	18	334,391	65,415
Convertible debt obligations - current portion	20	5,752,328	507,765
Short term debt	20	539,245	—

Total Current Liabilities		23,377,454	7,139,597
Due to related parties	19	1,729	—
Operating lease liabilities – non-current portion	10	11,394,337	894,589
Loans payable – non-current portion	18	428,025	85,858
Convertible debt obligations - non-current portion	20	2,223,523	766,245
Deferred tax liability	14	3,391,129	723,122
Derivative liabilities	21	36,488,594	—
Total Liabilities		77,304,791	\$ 9,609,411
Stockholders' Equity			
Contributed capital	22	110,534,000	50,924,276
Subscriptions receivable	22	(1,900,857)	(1,900,857)
Reserves		(32,933,714)	(31,888,638)
Accumulated deficit		(68,539,210)	(13,493,684)
Capital and reserves attributable to owners of Genius Group Ltd		7,160,219	3,641,097
Non-controlling interest		6,794,617	4,344,899
Total Stockholders' Equity		13,954,836	7,985,996
Total Liabilities and Stockholders' Equity		\$ 91,259,627	\$ 17,595,407

The accompanying notes are an integral part of these consolidated financial statements and are disclosed in the 20F filing.

GENIUS GROUP LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in US Dollars)

		For the year ended December 31,	
			2021
	Note	2022	As restated (1)
Revenue	23	\$ 18,193,616	\$ 8,294,804
Cost of revenue	2	(9,554,327)	(5,537,346)
Gross profit		8,639,289	2,757,458
Operating (Expenses) Income			
General and administrative	25	(21,073,794)	(7,211,204)
Depreciation and amortization	9	(1,182,413)	(38,864)
	24	144,396	490,300
Other operating income			
Impairment loss	9,12,13	(28,246,010)	—
(Loss) gains from foreign currency transactions	2	135,625	(166,174)
Total operating expenses		(50,222,196)	(6,925,942)

Loss from Operations		(41,582,907)	(4,168,484)
Other Expense			
Other Income	24	418,437	—
Revaluation adjustment of contingent liabilities	21	(13,838,197)	—
Interest expense, net	26	(1,312,476)	(449,566)
Total Other Expense		(14,732,236)	(449,566)
Loss Before Income Tax		(56,315,143)	(4,618,050)
Income Tax Benefit	27	1,063,596	128,852
Net Loss		(55,251,547)	(4,489,198)
Other comprehensive income:			
Foreign currency translation	2	(1,045,076)	230,081
Total Comprehensive Loss		\$ (56,296,623)	\$ (4,259,117)
Net Loss is attributed to:	28		
Owners of Genius Group Ltd		(55,045,526)	(4,315,239)
Non-controlling interest		(206,021)	(173,959)
Net Loss		(55,251,547)	(4,489,198)
Total Comprehensive Loss is attributable to:			
Owners of Genius Group Ltd		(56,090,602)	(4,085,158)
Non-controlling interest		(206,021)	(173,959)
Total Comprehensive Loss		\$ (56,296,623)	\$ (4,259,117)
Net loss per share attributed to common stockholders, basic and diluted		\$ (2.44)	\$ (0.28)
Weighted-average number of shares outstanding, basic, and diluted		22,634,366	16,155,812
Number of shares outstanding, basic, and diluted		27,705,227	16,155,812

1) Restatement details in 20F filing.

The accompanying notes are an integral part of these consolidated financial statements and are disclosed in the 20F filing.

GENIUS GROUP LIMITED AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in US Dollars)

	For the year Ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (55,251,547)	\$ (4,489,198)

Adjustments to reconcile net loss to net cash used in operating activities:

Stock-based compensation	1,308,784	293,837
Depreciation and amortization	2,350,640	1,574,913
Amortization of tax liability	(1,284,166)	105,650
(Gain) loss on foreign exchange transactions	(135,625)	166,174
Provision for doubtful accounts	(1,509,486)	(39,108)
Impairment loss	28,246,010	—
Revaluation adjustment on contingent liabilities	13,838,197	—
Amortization of debt discount	—	140,837
Interest expense on lease liabilities	491,336	131,291

Changes in operating assets and liabilities

Accounts receivable	1,161,349	(30,554)
Other receivable	(19,138)	(66,000)
Prepaid expenses and other current assets	1,489,459	(1,927,176)
Inventory	(545,449)	20,013
Accounts payable	(107,372)	256,562
Accrued expenses and other current liabilities	751,442	254,080
Deferred revenue	996,324	1,015,200
Deferred tax liability	220,570	(257,953)
Income tax payable	(237,759)	—
Other non-current liabilities	—	(217,291)

Total Adjustments

47,015,116 1,420,475

Net cash used in operations

(8,236,431) (3,068,723)

CASH FLOWS FROM INVESTING ACTIVITIES:

Internally developed software	(743,995)	(804,314)
Acquisitions	(8,843,458)	—
Purchase of equipment	(222,680)	(77,797)
Acquisition of intangible	(279,356)	—

Net cash used in investing activities:

(10,089,489) (882,111)

CASH FLOWS FROM FINANCING ACTIVITIES:

Amount due to/from related party, net	(221,842)	(154,345)
Proceeds from derivative liability, net	(250,000)	—
Advance received for share issuances		953,087
Proceeds from IPO, net	17,308,453	—
Proceeds from convertible debt, net of issuance costs	4,184,964	—
Proceeds from equity issuances	2,701,215	3,127,442
Issuance from convertible debt	(509,311)	—
Lease liabilities	(957,430)	(758,522)
Proceeds from Loan	972,593	—
Repayment of Loan	(1,285,181)	(71,967)

Net cash provided by financing activities

21,943,461 3,095,695

Increase (decrease) in cash and cash equivalents during the year

3,617,541 (855,139)

Foreign exchange impact on cash	318,090	366,926
Cash and cash equivalents, beginning of year	1,784,938	2,273,151
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$ 5,720,569	\$ 1,784,938
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for interest	\$ 847,520	\$ 202,176
Non-Cash Investing and Financing Activities		
Fair value of shares issued in satisfaction of a liability	\$ 350,000	\$ —
Fair value of shares issued for the acquisition of entities	\$ 35,098,001	\$ —
Fair value of shares issued for conversion of convertible notes	\$ 7,829,607	\$ 293,837

The accompanying notes are an integral part of these consolidated financial statements and are disclosed in the 20F filing.

Pro Forma Financials

The following tables set forth summary combined pro forma financial data and audited summary consolidated financial data for the periods and as of the dates indicated. The summary combined unaudited pro forma financial data below includes the consolidated financials of all companies in the Genius Group, including the Pre-IPO Group and the Acquisitions as if they were operating as one group in the periods indicated. The pro forma financials for 2022 include the audited financial data of the Pre-IPO Group and Acquisitions from the audited financials and the unaudited financial data of the Acquisitions.

The summary income data for the years ended December 31, 2022 and 2021 and the summary balance sheet data as of December 31, 2022 and 2021 for the Group are derived from the audited consolidated financial statements included in this Annual Report. Our audited consolidated financial statements have been prepared in U.S. dollars and in accordance with IFRS, as issued by the IASB.

Genius Group is made up of nine companies (taking into account the Acquisitions) that have varying financial performance. For this reason, you should read the summary combined pro forma financial data in conjunction with our audited consolidated financial statements and related notes beginning on page F-1 of this Annual Report, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this Annual Report. Our historical results do not necessarily indicate our expected results for any future periods.

Genius Group Pro forma Year Ended December 31,	Group Audited Financials Year Ended	
2022	December 31,	
(USD 000’s)	2022	2021
	(USD 000’s)	(USD 000’s)

Sales	28,129	18,194	8,295
Cost of goods sold	(13,328)	(9,555)	(5,537)
Gross profit	14,801	8,639	2,757
Other Operating Income	280	280	324
Operating Expenses	(57,013)	(50,502)	(7,250)
Operating Loss	(41,932)	(41,583)	(4,168)
Other income	1,172	419	0
Other Expense	(15,207)	(15,151)	(450)
Net Loss Before Tax	(55,967)	(56,315)	(4,618)
Tax Benefits	1,064	1,064	129
Net Loss After Tax	(54,903)	(55,252)	(4,489)
Other Comprehensive Loss	(1,045)	(1,045)	230
Total Loss	(55,948)	(56,297)	(4,259)
Net income per share, basic and diluted	(2.43)	(2.44)	(0.28)
Weighted-average number of shares outstanding, basic and diluted	22,634,366	22,634,366	16,155,812

	Genius Group Pro forma Year Ended December 31, 2022 (USD 000's)	Group Audited Financials Year Ended December 31, 2022 (USD 000's)	2021 (USD 000's)
Summary Balance Sheet Data:			
Total current assets	24,251	24,251	6,496
Total non-current assets	67,009	67,009	11,099
Total Assets	91,260	91,260	17,595
Total current liabilities	23,378	23,378	7,140
Total non-current liabilities	53,927	53,927	2,469
Total Liabilities	77,305	77,305	9,609
Total Stockholders' Equity	13,955	13,955	7,986
Total Liabilities and Shareholders' Equity	91,260	91,260	17,595

Non-IFRS Financial Measure

We have included Adjusted EBITDA in this Annual Report because it is a key measure used by our management and board of directors to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short- and long-term operational plans. In particular, the exclusion of certain expenses in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons of our core business. Non-IFRS financial measures are not a substitute for IFRS financial measures.

We calculate Adjusted EBITDA as Net loss for the period plus income taxes plus/ minus net finance result plus depreciation and amortization plus/minus share-based compensation expenses plus bad debt provision. Share-based compensation expenses and bad debt provision are included in General and administrative expenses in the Consolidated Statements of Operations.

	Genius Group Pro forma Year Ended December 31, 2022 (USD 000's)	Group Audited Financials Year Ended December 31, 2022 (USD 000's)	2021 (USD 000's)
Net Loss	(54,903)	(55,252)	(4,489)
Tax Benefits	(1,064)	(1,064)	(129)
Interest Expense, net	1,325	1,312	450
Depreciation and Amortization	2,453	2,351	1,575
Impairment	28,246	28,246	—
Revaluation Adjustment of Contingent Liabilities	13,838	13,838	—
Stock Based Compensation	1,309	1,309	294
Bad Debt Provision	1,529	1,509	(39)
Adjusted EBITDA	(7,267)	(7,750)	(2,338)

Key Business Metrics

We monitor the key business metrics and Non-IFRS financial measures to help us evaluate our business and growth trends, set growth targets and budgets, and measure the effectiveness of our sales and marketing efforts. These key business metrics and Non-IFRS financial measures are presented for supplemental informational purposes only, are not a substitute for IFRS financial measures, and may differ from similarly titled metrics or measures presented by other companies. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Business Metrics and Non-IFRS Financial Measures” for detailed descriptions of the measures and metrics.

Education segment – Genius Group (including Acquisitions)

	Key Business Metrics – Education Segment Pro Forma Year Ended December 31,	
	2022	2021
Number of students and users	4,450,852	2,825,628
Number of Free Students and users	4,278,933	2,768,530

Number of Paying Students and users	171,919	72,422
Number of Partners	14,760	11,414
Number of countries of operation	191	191
Marketing Spend	1,994,331	1,139,928
Education Revenue	23,469,609	25,468,253
Revenue from New Paying Students	10,164,848	7,377,236
New Students	1,640,698	890,328
New Paying Students	19,681	10,425
Conversion rate	1.20 %	1.17 %
Average Acquisition Cost per New Paying Student	101	109
Average Annual Revenue per New Paying Student	516	707
Net Income (Loss) margin	(172.07) %	(4.56) %
Adjusted EBITDA margin	(11.76) %	4.10 %

Campus segment – Entrepreneur Resorts

Key Business Metrics – Campus Segment Pro Forma Year Ended December 31,		
	2022	2021
Revenue	4,638,122	3,100,750
No of Locations	6	6
No of Seats/Rooms	367	367
Utilization	33 %	28 %
Total Orders	136,204	96,390
Revenue Per Order	34	32

Contacts

Investors:

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Media Contacts: Adia PR

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US Investors:

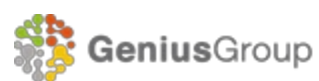
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¹ Holon IQ Edtech growth estimated of 16.3% CAGR from 2019 to 2025



Source: Genius Group Limited