



## AD HOC ANNOUNCEMENT

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### Ad hoc announcement pursuant to Art. 17 Market Abuse Regulation

The NAGA Group and Key Way Group announce planned business combination by way of a capital increase in kind, accompanied by the issuance of a convertible bond

Hamburg, December 19, 2023. The financial technology companies The NAGA Group AG (XETRA: N4G, ISIN: DE000A161NR7) and Key Way Group Ltd., which operates on the market under the CAPEX.com brand, have closed a detailed term sheet on the merger of the two groups.

The merger is to take place by way of a non-cash capital increase, which is to be proposed to the Annual General Meeting of The NAGA Group AG, through the contribution of all shares in the parent company of the Key Way Group by its shareholders to The NAGA Group AG in return for the issue of new The NAGA Group shares. The NAGA Group AG intends to issue approximately 170 million The NAGA Group shares as part of the non-cash capital increase, whereby the Key Way Group shareholders will acquire a majority stake in The NAGA Group AG, while the exact number of new shares and the resulting shareholding ratios will be determined on the basis of a valuation report by an international auditing firm. The contracting parties have also agreed that the managing partner of the Key Way Group, Mr. Octavian Patrascu, will be appointed Chairman of the Management Board of The NAGA Group AG. The transaction structure also includes the planned issue of share options amounting to 20% of the increased share capital.

The merger will be accompanied by the issue of a convertible bond without interest (zero coupon) with a term of 12 months and a total issue volume of up to EUR 8.2 million, which will be offered to shareholders for subscription. The subscription offer for the convertible bond is scheduled to begin in December 2023. Major shareholders of The NAGA Group AG will waive their subscription rights in favor of individual Key Way Group shareholders and the latter intend to subscribe for convertible bonds up to a volume equivalent to USD 9 million as far as subscription rights are not exercised.





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The completion of the transaction is subject to the usual closing conditions, in particular regulatory approval.

The contracting parties expect the two groups to generate combined sales of approximately USD 90 million and EBITDA of approximately USD 6.5 million in this financial year.

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**End of ad hoc announcement**

