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NAGA continues strong growth path and plans capital increase

- Further increase in order numbers, new customers and trading volume
- Capital increase planned to finance profitable growth
- First sales from China and over 5,000 pre-registrations for NAGA PAY

Hamburg, 29 June 2020 – The NAGA Group reports further strong growth in the current second quarter of 2020. The number of new customers and trading volumes have grown significantly with an increase of over 50% since Q1.

“With the recovery of the financial markets and despite weakening volatility, we were able to continue on our growth path. Our new customer registrations and trading activity are developing positively. In April and May alone, we were able to exceed the trading volume of the entire first quarter with a total of EUR 24 billion, and welcomed more new customers than in the first 3 months of the year together”, says Benjamin Bilski, CEO of THE NAGA GROUP AG.

NAGA also reports first customers and sales from China. After months of preparation, the operational business started on 7 June 2020 and first customers were accepted. “Offering our service in China has been our goal for a long time. We anticipate healthy and sustainable growth and will focus heavily on the project in China. The potential is extremely large in this market”, commented Bilski.

Furthermore, NAGA’s upcoming challenger bank app “NAGA Pay” met with a lot of interest recording 5,000 pre-registrations just weeks after the announcement of its launch for Q4 this year, which supports the company’s strategy to enter the mobile-banking segment.

Based on the greatly improved earnings and the targeted expansion course in Southeast Asia and China, the Management Board has decided to raise additional growth capital. As a result, The Naga Group AG today resolved a cash capital increase with subscription rights for the shareholders. Up to 2,000,000 new shares are to be issued at a subscription price of EUR 2.50



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per new share. Shareholders can subscribe to two new shares for thirty-nine old shares. The subscription period is expected to begin on 03 July 2020 and is expected to end on 16 July 2020 (inclusive). In addition, the new shares are to be offered to qualified investors at a placement price of EUR 2.50 - and thus at a price that corresponds to the subscription price - as part of a pre-placement starting today. Hauck & Aufhäuser accompanies the placement as Sole Global Coordinator and Sole Bookrunner. The new shares will initially be offered for sale as part of a private placement to qualified investors in Germany and other select jurisdictions (outside the United States).

“After last year’s very exhausting restructuring, we managed to get NAGA back on track. The greatly improved and focused marketing strategy, combined with a significant reduction in costs and the focus on new markets, made the major difference compared to the years before. Our cost base is now stable and growth can be controlled through fully digital, global and scalable marketing initiatives. Based on the performance of the NAGA share this year and the outlook for the next 18 months, this capital raise is a logical step to accelerate NAGA's growth. The proceeds from the capital increase will be invested mainly in Marketing & Sales, since we are able to plan with clear return on investment. We expect that this will lead to positive effects on our overall earnings figures in the near future”, says Benjamin Bilski.

The company also publishes its preliminary results for the past financial year 2019. The announced and implemented restructuring resulted in high one-time expenses, particularly in the form of severance and compensation payments. According to preliminary figures, NAGA will therefore see 2019 at group level with declining trading revenues of EUR 3,897 thousand (Previous year: EUR 4,222 thousand), a negative EBITDA of EUR -9,167 thousand (previous year: EUR -EUR 270 thousand) and an annual net result of EUR -13,377 thousand (previous year: -EUR 4,401 thousand).

“The result of the 2019 financial year compared to 2020 once again underpins the success of the realigned company strategy. This momentum allows us to fully position NAGA for global expansion and sustainable growth”, concludes Benjamin Bilski.





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About NAGA

NAGA is an innovative fintech company that has developed a socially enhanced financial system that creates a unified and seamless experience across personal finance and investing. Its proprietary platform offers a range of products ranging from trading, investing, and cryptocurrencies to a physical Mastercard and social investing features such as a Feed, a Messenger and Auto-Copy. NAGA is a synergistic all-in-one solution that's accessible and inclusive, and that provides a better way to trade, invest, connect, earn, acquire and pay, across both fiat and crypto.

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