

CORPORATE NEWS

NAGA reports customer growth as costs continue to be reduced, NAGA Pay receives approval for crypto card program, and NAGA Group announces further revised 2021 figures.

Hamburg, September 2, 2022 - NAGA Group AG (XETRA: N4G, ISIN: DE000A161NR7), operator of the neobroker NAGA, the cryptocurrency platform NAGAX and the neobanking app NAGA Pay, announces further trading updates in addition to today's mandatory announcement.

New crypto card program launches on 07.09.2022

Leading banking-as-a-service provider Contis by Solaris and NAGA Pay are launching a VISA-approved card program that will allow users to spend both fiat and cryptocurrency in real time at the point of sale. The NAGA Pay app will unlock the "Pay with Crypto" feature for all customers in the app stores on Sept. 07, 2022.

"With our "Pay with crypto" feature, our users can set at any time with which currency - whether euros or cryptocurrencies - they want to pay at the checkout or online. The entire transaction happens in real time and is automatically executed in the background by our EU-regulated crypto exchange NAGAX. Over 50 cryptocurrencies are supported and can be deposited and withdrawn directly in the NAGA Pay app via the blockchain. Contis' Buffer solution also offers the feature that in case a user does not have enough money in the account for payment, they can balance it with cryptocurrencies in real time. Thus, there is complete flexibility and the user can set at any time which cryptocurrencies held should be used for payment," Benjamin Bilski, founder and CEO of NAGA, commented on the product launch.

Healthy customer growth with reduced costs

NAGA management also reports that since the end of Q2 2022, active work has been done to reduce group costs and monthly cost reductions of over 15% have already been achieved in this regard. By the end of the current year, monthly costs will be reduced by around 25% to 30% compared to the last 12 months. In parallel, the focus on optimizing marketing spend is paying off. In the last two months, around 50,000 registrations have been recorded. The costs per customer have improved by over 40% and show a further positive trend.





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"The market situation has changed drastically. Whereas nine months ago the focus was on sales growth, profitability and cash flow are the new core KPI, especially in the growth and technology stocks. NAGA has invested heavily in expansion and technology, and as a result has also delivered triple-digit percentage growth in recent years. The narrative is now changing and we will focus on bringing cash EBITDA into positive territory while continuing to show solid growth. This will take a few months. We have managed to develop one of the most advanced broker platforms, a regulated crypto exchange, and a full-featured payment app. Now it's all about efficient customer growth and scaling. We are firmly convinced of our business model and will successfully follow this path," says Benjamin Bilski.

Technical adjustments to historical results due to audit delays

Audit failures on the part of Ernst and Young in the area of capitalization of customer acquisition costs lead to necessary technical adjustments of closing figures from 2020 and 2021. NAGA reports that revenues in 2021 will amount to approximately EUR 53 million, which represents an increase in revenues of over 100% compared to 2020. EBITDA, however, will fall to EUR -4.3 million due to IFRS adjustments in the area of customer acquisition costs.

Management also announces that the audited financial statements will be published on the company's website in the second half of September 2022. The delays were significantly caused by the complexity of the audits, adjustments and resource constraints on the audit side.

NAGA Group AG also announces that the cooperation with Ernst & Young will be terminated and a new auditor will be proposed for election at the upcoming Annual General Meeting 2022.

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About NAGA

NAGA is an innovative fintech company that seamlessly connects personal finance transactions and investments through its social trading platform. The company's proprietary platform offers a range of products from stock trading, investments and cryptocurrencies to a physical VISA card. Additionally, the platform allows for exchanges with other traders, provides relevant information in the feed, and autocopy features for successful members' trades. NAGA is a synergistic total solution that is easily accessible and inclusive. It provides an improved foundation to trade, invest, network, earn and pay. This applies to both fiat and crypto products.

Press contact

Andreas Luecke,
The NAGA Group AG
press@naga.com

www.naga.com

