



TRADING UPDATE 2022

Last update: 16.12.2022





Agenda

2022 TRADING UPDATE

- **2022 Executive Summary**
- Audit Delays 2022
- 2022 YTD Performance and KPIs
- Restructuring
- Our Product Suite
- Outlook and Key Takeaways

AGENDA



Executive Summary

Our plans as end of 2021:

- In the end of 2021 NAGA planned a US IPO in 22, and to push on digital assets which led to significant investment into tech (NAGAX and NAGA Pay) and crypto asset treasury.
- We as management believe in NAGA and have increase our shares end of 21 and early 22 at prices around 6 to 7 EUR

However:

- Unprecedented crash on equity market and crypto market
- Growth Stocks under heavy pressure (all peers in average -80%)
- Investor sentiment (especially in tech) shifted from „revenue-growth-driven“ to „profit-driven“

Nevertheless:

- NAGA strengthen its position in a very difficult market for neo-brokers and grew operational business
- NAGA launched and completed the entire product offering for NAGA PAY and NAGAX which offer a full neobanking platform and crypto ecosystem
- As of July 2022, NAGA management initiated a full strategy shift and restructuring
- Today NAGA operates three fully built out product verticals and has clients in over 100 countries.
- The focus of the management team is to turn the company cash profitable by Q2 2023, build its regulatory licence map and scale its products with YoY growth of at least 25% moving forward



Peer Group Analysis

2022 TRADING UPDATE

As of 14.12.2022

Company	Type	Share price 31.12.2021	Valuation 31.12.2021	Share price 14.12.2022	Est. Valuation 14.12.2022	YTD Change
 NAGA	Broker/Crypto	EUR 7.50	EUR 405.0M	EUR 1.40	EUR 75 M	-73%
 flatex	Broker	EUR 22.20	EUR 2.2B	EUR 5.98	EUR 0.7B	-73%
 coinbase	Crypto	USD 280.00	USD 63.2B	USD 35.54	USD 8.6B	-88%
 robinhood	Broker/Crypto	USD 18.20	USD 18.0B	USD 8.20	USD 7.3B	-88%
 eToro	Broker/Crypto	Private (to deSPAC)	USD 10.2B	IPO cancelled	USD 3.5B	-60%
 Klarna.	Payments	Private	USD 46.0B	private	USD 6.0B	-86%
 Nasdaq	Index	USD 15,800		USD 11,300		-30%
 bitcoin	Lead Crypto	USD 47,300		USD 16,600		-65%



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2 major items were unexpectedly revised by the auditing firm E&Y

- 1 Capitalized marketing expenses
- 2 Crypto treasury

The changes came extremely late in the audit process which led to further delays in the process. Already approved and applied audited items such as the capitalized marketing expenses of 2020 were surprisingly revised and affected 2020 and 2021 financials significantly.

On crypto treasury, NAGA received an internal opinion that treasury and market making activities can be treated as revenue and added to the bottom line, which again was revised very late in the process.

The partnership with E&Y was terminated and NAGA appointed the new auditor MSW (Berlin) in the latest AGM.



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YTD Performances: Revenue & Cost

Revenue (in EUR million)

57.00 - 60.00

52.90

24.00

2020

2021

2022e

Expenses (in EUR million)

59.00

52.40

19.00

2020

2021

2022e

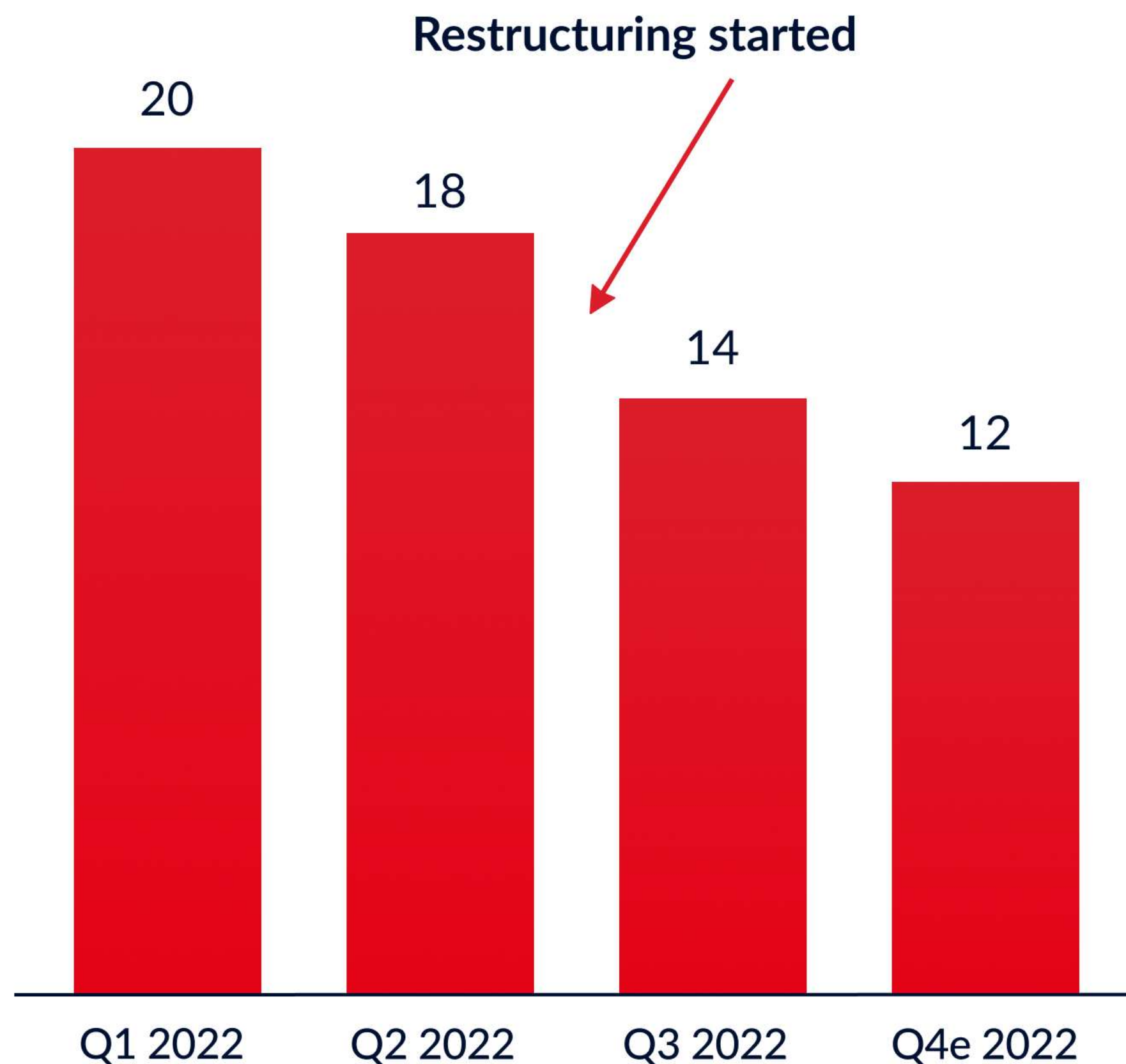
YTD PERFORMANCE



Restructuring: Process

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Expenses (in EUR million)



Our initiatives

- Improve Marketing cost for all three products
- Cut of around 20% of staff
- Cut R&D for NAGAX and NAGA PAY
- Cut OPEX for NAGAX and NAGA PAY

Focus on

- Data science and analytics
- Conversion rate optimization (driving cost per customer down)
- Country reallocation to drive more distributed revenue

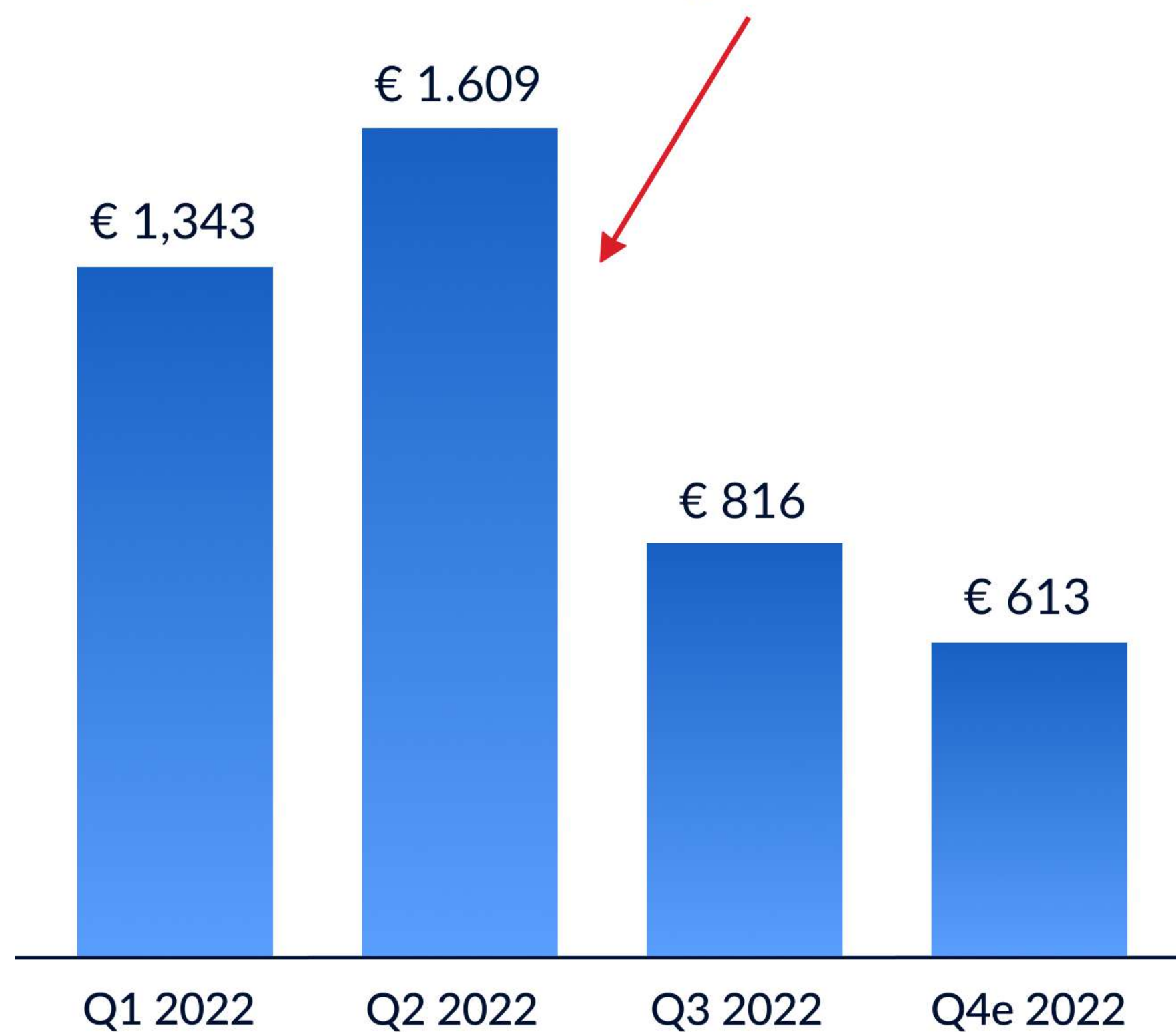
RESTRUCTURING



Year to Date KPIs – CAC/LTV

Avg. Cost per Acquisition

Restructuring started



Avg. Trader Value

Restructuring started

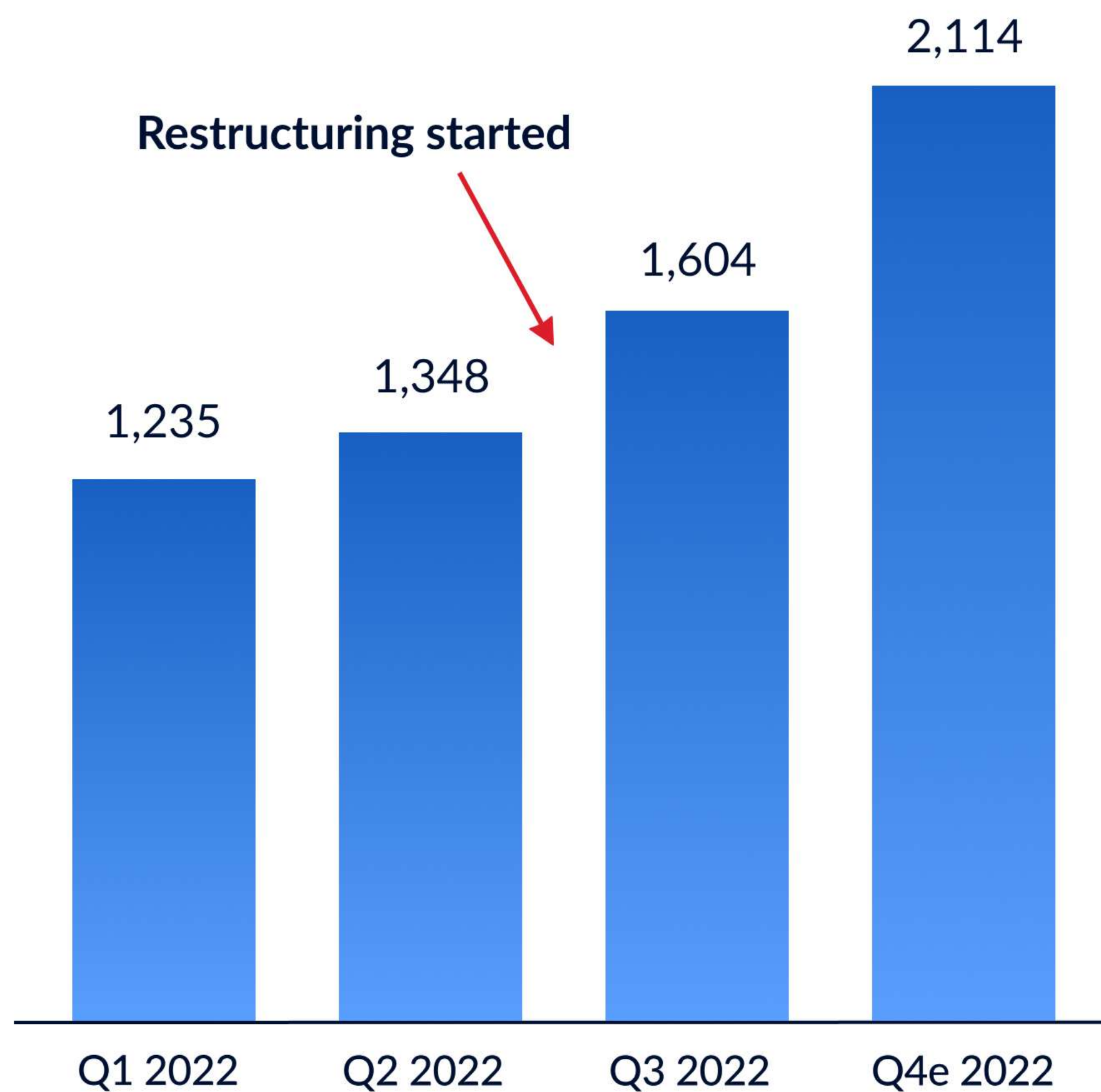


YTD KPIS



Core KPIs: FTDs & Monthly Transactions

Avg. Monthly First Time Depositors



Avg. Monthly Transactions

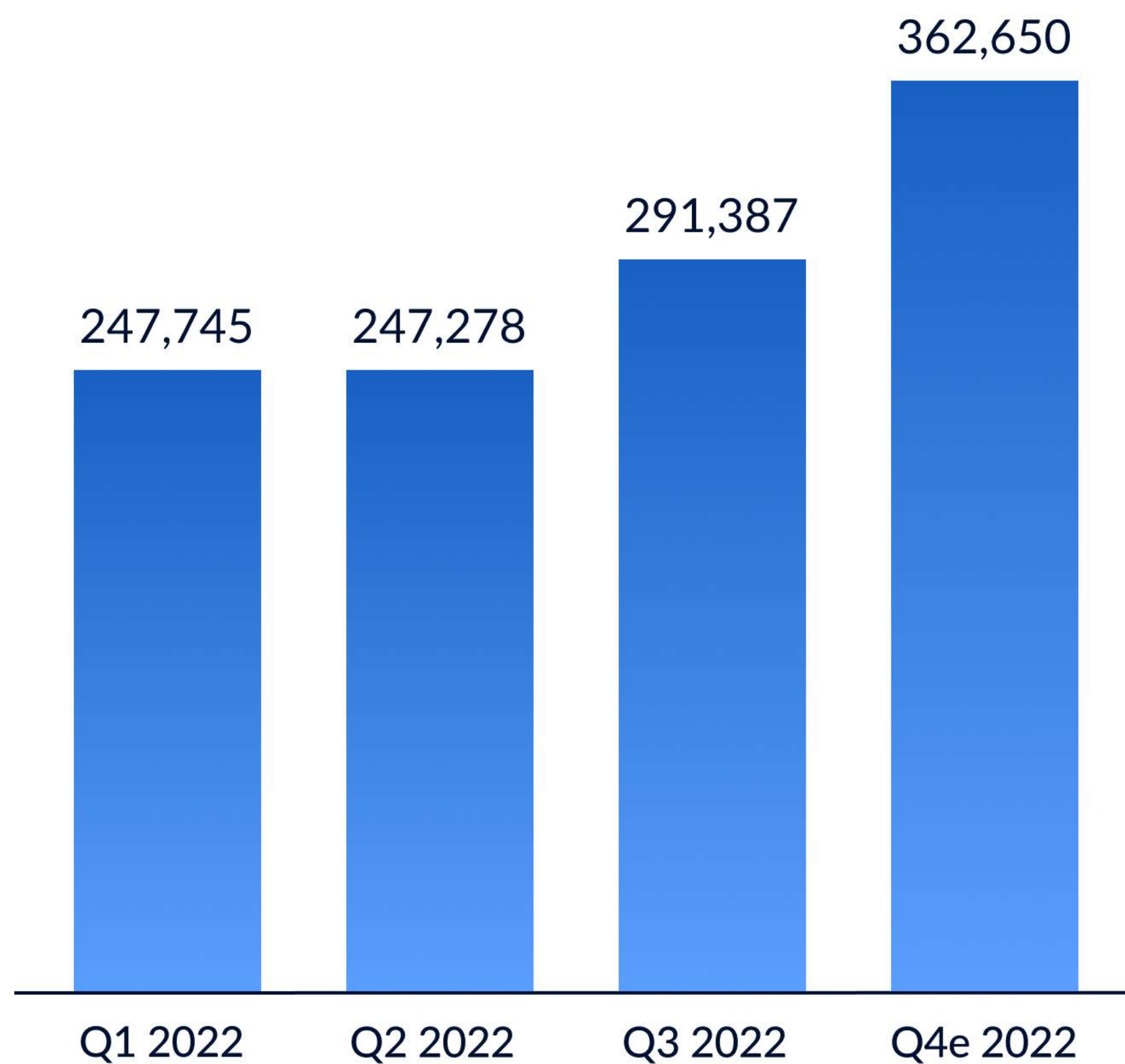


CORE KPIS

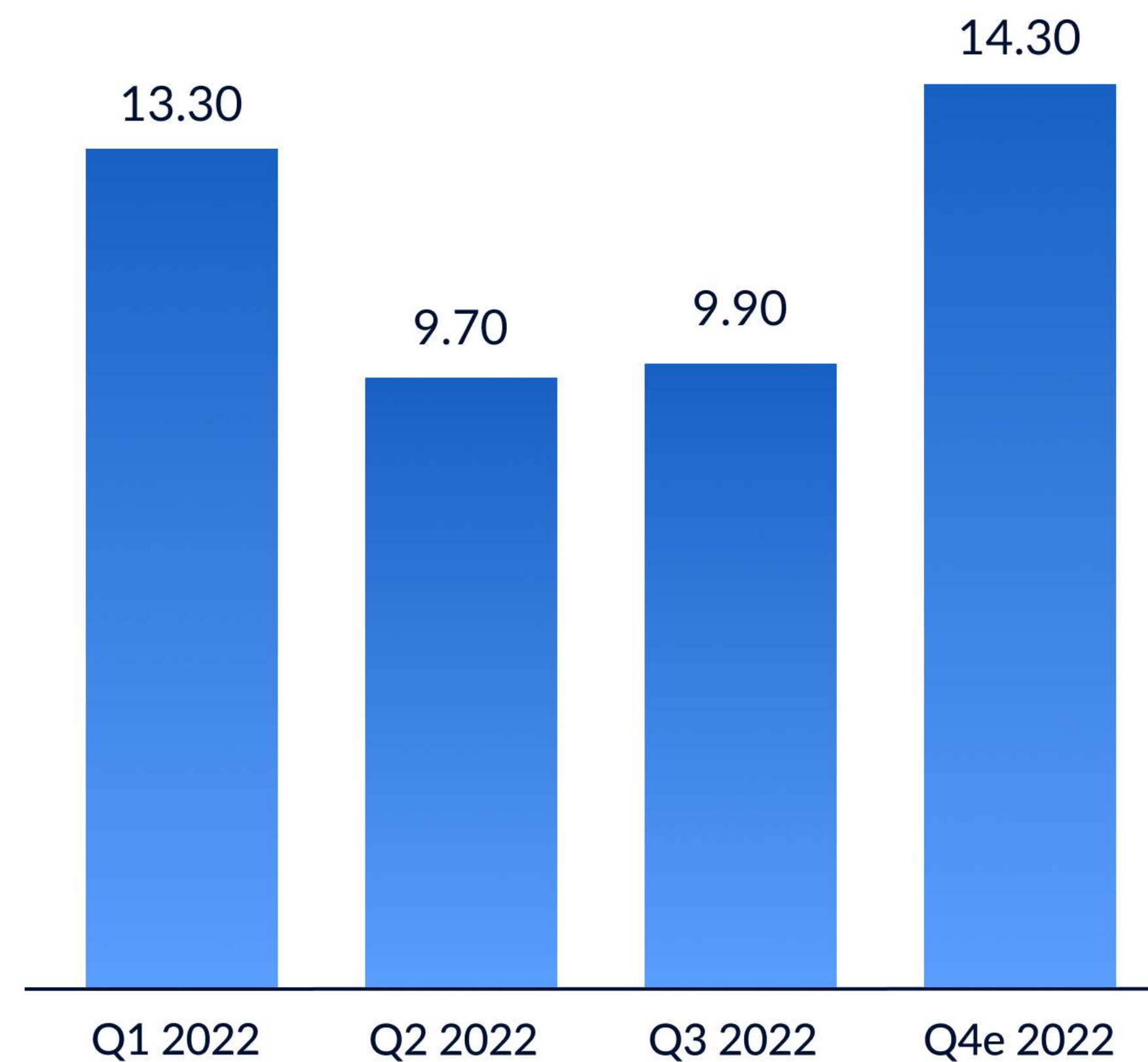
Year to Date KPIs – User Activity

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Avg. Monthly Copied Trades



Avg. Volume Traded (in EUR billion)



YEAR TO DATE KPIS



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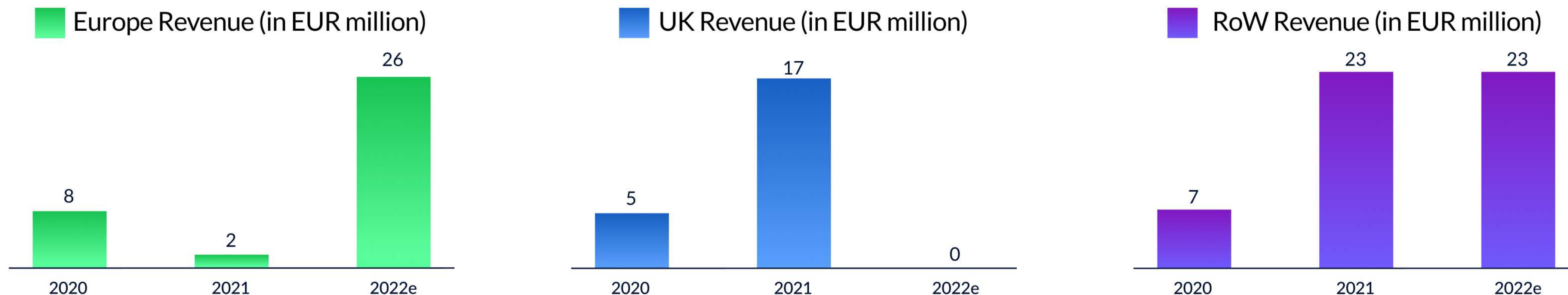
Restructuring Process: *Rationale*

- After and extensive period of 2019 to 2021 NAGAs management board has demonstrated its abilities to perform a successful turnaround which followed a deep restructuring. When Bilski, Mylonas and Luecke took over the NAGA Share stood at 0.50 EUR and grew to over 8.00 EUR within two years
- Whilst in 2019 the company had no true fundamentals, in 2022 it got caught in a storm of broken market and investor sentiment
- NAGA today has the strongest product and client portfolio ever and is now in a position to turn a high growth FinTech profitable by keeping its innovative character
- Today's restructuring is due to changed market conditions and not due to fundamental flaws in the operating business which gives NAGA the ability to scale up again very quickly if the time is right
- Core exercise of this year's restructuring: Full focus on the trading business, bring down acquisition cost whilst keeping lifetime value stable
- Strategy shifts take time and usually result in short term negative effects. However, there is significant confidence to see results already in Q1 and especially Q2 2023



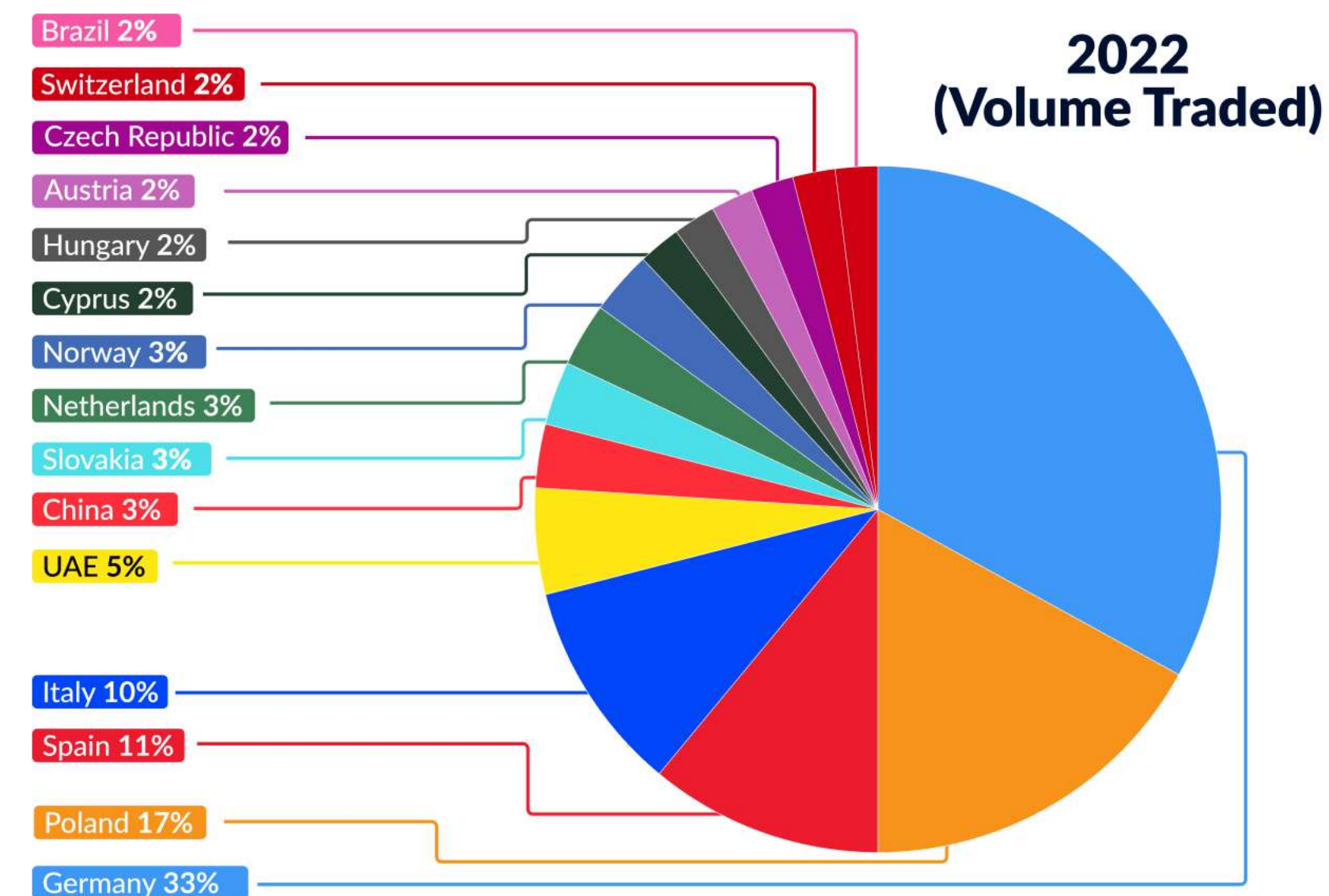
Demonstration of Strength: Our Shift from UK to Europe

REVENUE DRIVERS



- UK was the best market for NAGA thus far and is the largest CFD market in the world.
- 2022 results were achieved entirely without the UK
- NAGA exited the UK in late 2021 (as per adhoc) and had to re-allocate budgets to other countries which caused several inefficiencies
- Germany is today the number 1 market for NAGA
- The „switch“ caused spikes in client acquisition cost

By Q2 2023 NAGA will re-enter the UK and aims to re-activate its client base and minimal cost, hence driving immediate EBITDA effects





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Our products: **NAGA Trader**

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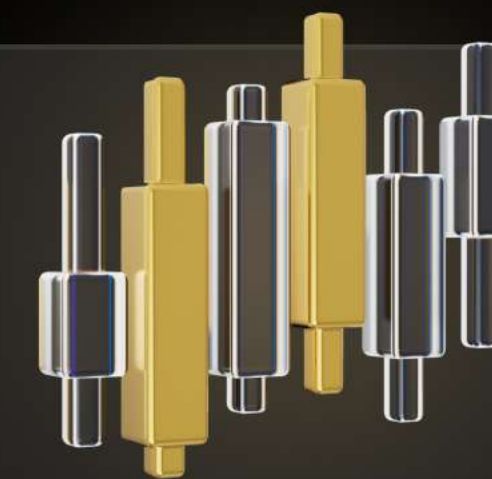
NAGA TRADER



The most advanced trading platform by features and abilities in the market



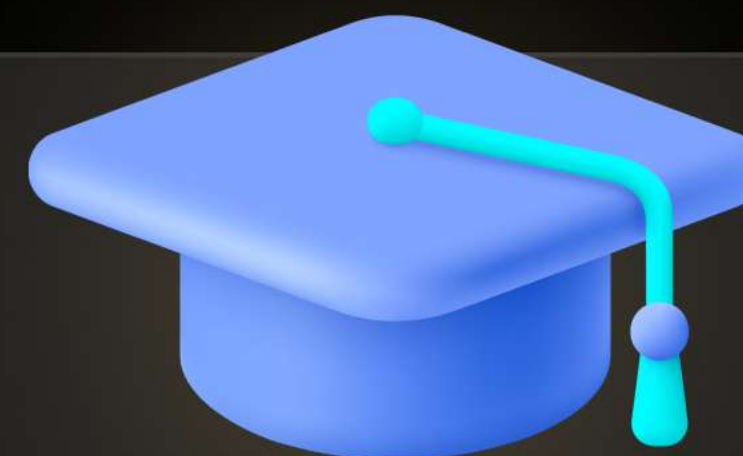
Fully developed automated identity verification and KYC/AML procedure (completed in October 2022)



Over 1,000 assets on leading markets



Unique Copy Trading Experience and Social Media features inbuilt

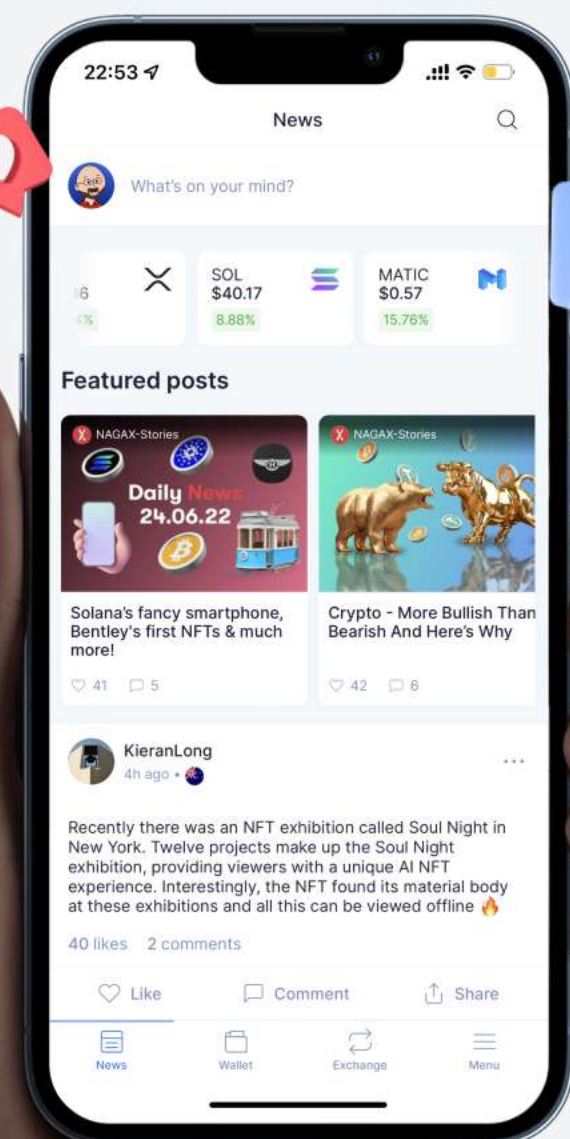
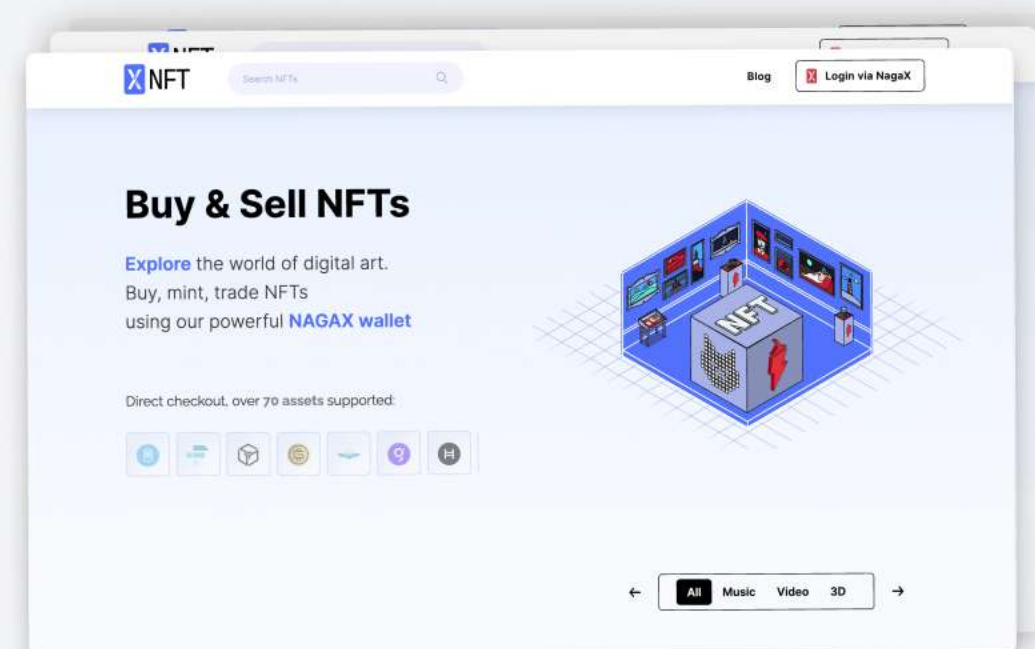


Trading competition, live webinars, one on one education





Our Products: **NAGAX**



Complete Spot Crypto Exchange for more than 70 tradable assets



Crypto wallet supporting 20 blockchains and thousands of tokens



Capabilty of exchanging crypto to fiat and vice versa in realtime by offsetting risk to the market



Wholly developed Staking platform



Integrated NFT market place with full market place capabilities such as bidding, auctions running on inhouse blockchain called NXNFT allowing creators and collectors to mint, buy, sell and collect NFTS



Derivatives Trading engine for up to 1 to 100 leverage on USDT Perpetuals

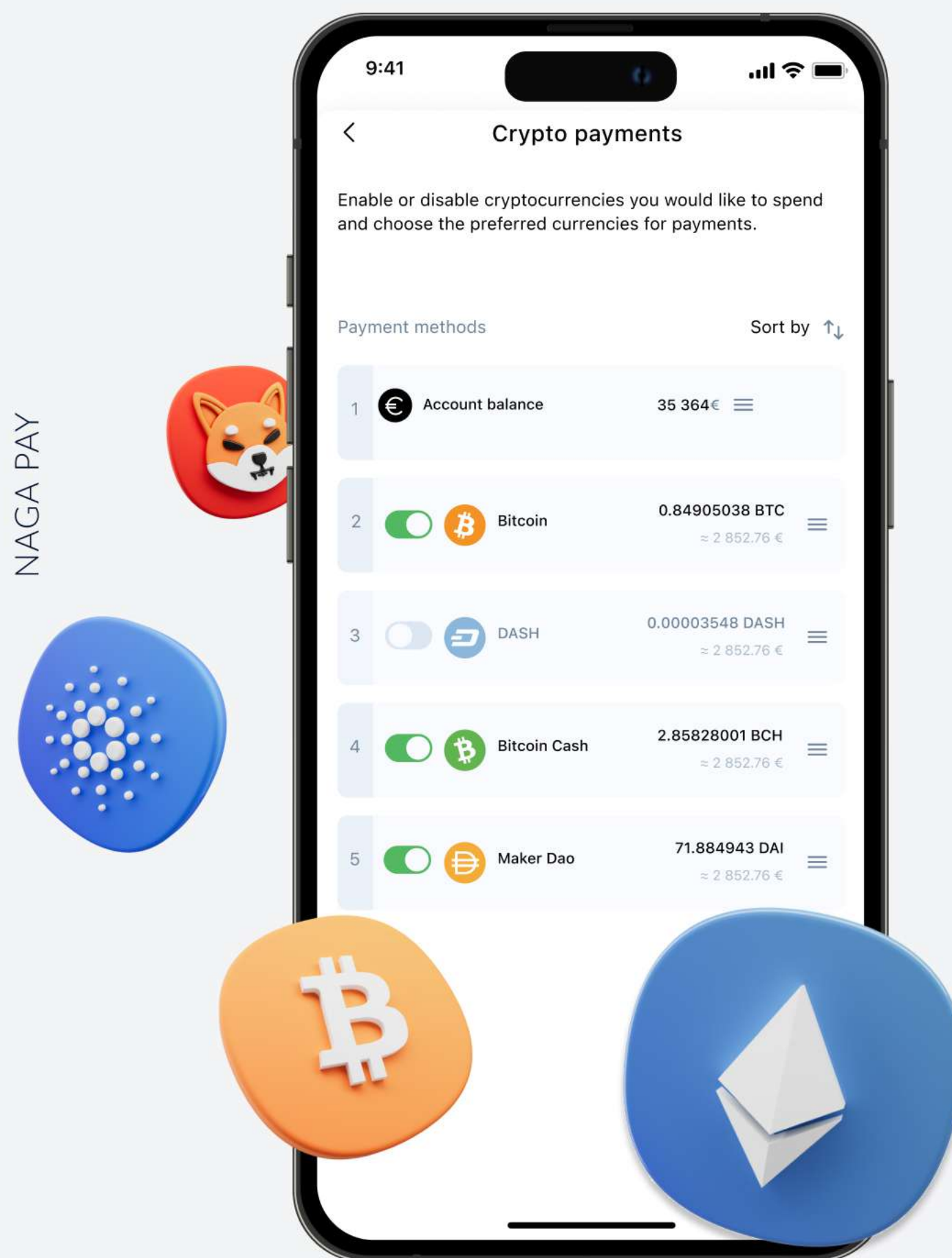


Extensive Loyalty and Tokenomics model for NAGA Coin



Our Products: *NAGA Pay*

NAGA PAY



- Neobanking app allowing users to make IBAN and credit card payments at any point of sale within Europe and the UK
- Peer-to-Peer money transfer feature
- Integrated into NAGAs trading engine allowing NAGA pay users to trade on 1,000 markets and copy trade investors
- Integrated into NAGAX allowing users to deposit, send and hold physical cryptocurrencies
- Crypto buffer: Allowing users to spend crypto currencies at any Point of Sale with real time exchange
- Buy crypto with EUR: Starting January clients can immediately buy crypto using their NAGA IBAN or Card account
- Compatible with Apple and Google Pay
- **Followed by product presentation on screen**



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Our Outlook

THE KEY FOCUS OF THE NAGA MANAGEMENT FOR 2023

- Full focus on EBITDA ratios rather than top line growth
- Cutting cost by 30% on a monthly basis
- Improving efficiency of marketing and sales while delivering at least 25% YoY growth

IMMEDIATE GROWTH PROJECTS 2023

- Launching NAGA UK in Q1 2023 activating over 180,000 leads
- Launching NAGA Capital Seychelles (licence granted in 2022)
- Launching NAGA Institutional Desk for Volume Traders in early 2023



Key Takeaways for our Shareholders

- NAGA is a young company with a very high sense of innovation and disruptive thought processes
- NAGA also has a very extensive long-term platform vision where we believe that all financial services MUST be offered in one platform by one provider with the highest regulatory coverage possible
- NAGA was part of the „FinTech“ wave in 2021 and committed to an aggressive growth strategy with the aim to keep the momentum and expand beyond “Just CFD trading”
- Around five to six months into the year, the management made a hard stop and shifted the companies strategy to be aligned with the investors needs: Operate a company with a less aggressive revenue growth profile but stable and reliable profits
- With its improved running cost, reactivating a 17 EUR million market (UK), improved technology and expertise in efficient marketing, NAGA will aim to generate solid growth by focusing entirely on profitability in 2023