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NAGA continues profitable growth path reaching 15% EBITDA for the first nine months of 2023 from its brokerage business

- ***Year to date: EUR 28.4 million revenue from brokerage business and EUR 4.2 million EBITDA demonstrating NAGAs ability to become a profitable FinTech***
- ***Drastic improvement in client acquisition cost and client lifetime metrics***
- ***Trading update via Zoom to be held on Oct 11, 2023 at 14:00 CET***

Hamburg, October 5th, 2023 - The NAGA GROUP (XETRA: N4G, ISIN: DE000A161NR7), provider of the All-in-One Financial Super App NAGA, publishes a trading update for the first nine months of 2023, highlighting substantial progress.

Looking at the first three quarters of 2023, the Group's preliminary EBITDA improved to EUR 4.2 million, a significant achievement from the previous year's loss of EUR -4.2 million in the same period. Furthermore, the Group reported preliminary year-to-date sales of EUR 28.4 million per September 30th 2023 from its brokerage business, delivering an EBITDA ratio of around 15%.

One of the key factors contributing to this growth is the reduction in operational and marketing costs. The NAGA Group has also expanded its presence in new and emerging markets, capitalizing on the increasing popularity of social investing and e-payments.

Significant growth throughout all core KPIS

A notable achievement in the first nine months of 2023 is the highly successful optimization of NAGA's user acquisition strategy. Within the first nine months of 2022, the Group spent an estimated EUR 26 million on marketing and sales, whereas in 2023, the expenditure was significantly reduced to EUR 4 million in the same period. It is worth highlighting that the average net acquisition cost per new account improved drastically, decreasing from EUR 1,269 on average in the first nine months of 2022 to EUR 181 on average for the same period in 2023. The Group acquired around 10,000 new funded accounts in the first three quarters 2023 compared to 12,500 new funded accounts in the same period of 2022, a drop of only 19% despite reducing its acquisition budget by more than 83%.

Furthermore, comparing the first three quarters 2023 to 2022 all core KPIs have grown. Especially active accounts stand at 20.4K active traders in 2023 vs. 17.7K for the same period in 2022. Traded volume in 2023 grew to EUR 110 billion vs. EUR 98 billion alongside 7.3 million executed transactions compared to 6.2 million in the first nine months of 2022.

Client equity as of September 30th 2023 increased by 47% to EUR 34 million from EUR 23

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million on 30th September 2022. The new equity contribution from new accounts rose significantly from EUR 6.2 million to EUR 8.9 million, an increase of 42%. This translates to EUR 913 per new account, an 105 % increase compared to the same period the previous year. Lastly, the average monthly churn rate improved from 8.4% in the first three quarters of 2022 down to 5.3% for the same period in 2023.

Additionally, the Group reports that its Neo-Banking App, NAGA Pay, has shown a double-digit growth in each quarter 2023, reaching a group wide revenue contribution of EUR 0.25 million in 2023 and plans to break even in Q4 as a standalone project.

The NAGA Group's strong financial performance in the first nine months of 2023 showcases its successful business strategy, including cost optimization, expansion into new markets and efficient user acquisition while improving client lifetime and churn metrics, which directly impact profitability.

"We have spent and hired in recent years according to established, capital intensive market standards, as has happened with many industry peers and tech companies. Our focus this year has been to reduce spending and increase efficiency. Spending 80% less and seeing growth across all our core KPIs makes us confident for the upcoming months." Michael Milonas, Chief Executive Officer, notes.

NAGA further continues its expansion into new markets by launching numerous partnerships and the opening of new branches. HY1 2023 has been a period of development in the Group's Infrastructure to offer a framework for success in the emerging markets. A focus on acquisition, payments and regulations will provide the base for further success in HY2.

"We are committed to expanding our presence in Asia, Middle East, Africa, and Latin America by leveraging strategic partnerships with proven leaders in those regions. Our focus is not just on growth, but on building the right regulatory frameworks and infrastructure to deliver a first-class experience for our clients and partners. Understanding the local market needs is essential to our success, and we aim to create the right infrastructure for long-term success. This global growth story has only just started but significant inroads have already been made in a very short amount of time" - Sam Chaney, Chief Commercial Officer, adds.

Trading update to be held by Founder & CIO Benjamin Bilski

The Group further announces that Benjamin Bilski will hold a presentation on **October 11th at 14:00 CET** covering the Group's Performance for the first three quarters of 2023, explaining latest developments and giving an outlook for 2023. The webinar will be held via Zoom, recorded and subsequently uploaded to group.naga.com

Update on the publishing of 2022 financial statements





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Lastly, the Group would like to inform the Capital Markets that its audited financial statements are expected to be published by the mid November on the Group's website.

As already communicated on our IR website (<https://group.naga.com/investor-relations/financial-calendar?lang=en>) delays occurred due to the fact that a new auditor was elected last year and new software has been introduced to ensure proper recording and accounting of trading and cryptocurrency transactions.

