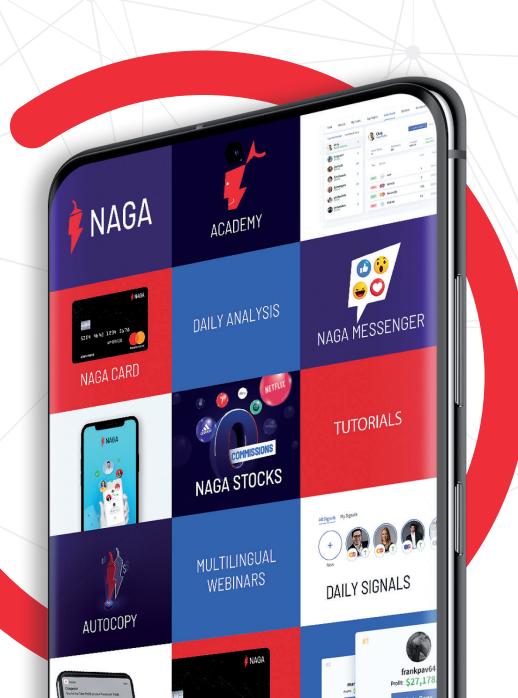


CONSOLIDATED HALF-YEAR REPORT

as of June 30, 2020



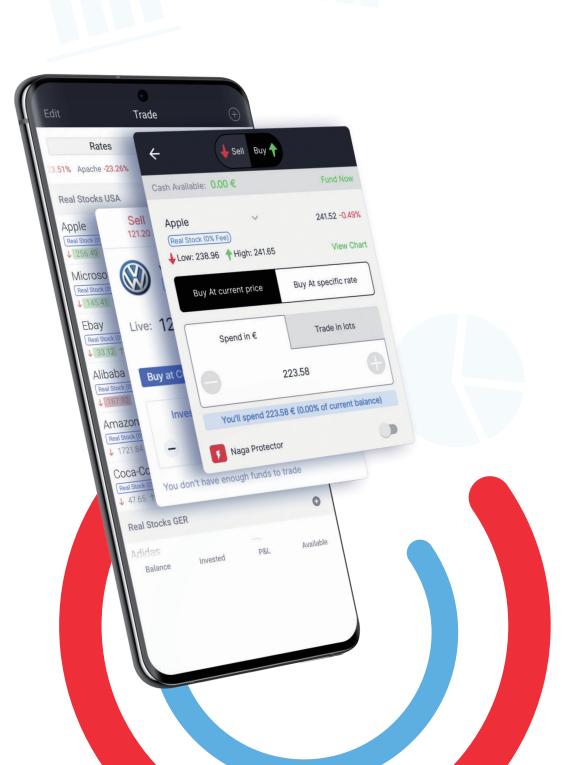


TABLE OF CONTENTS

\rightarrow	Letter to the Shareholders	4
\rightarrow	Object of the Company	6
\rightarrow	Consolidated Financial Statements	7
	Consolidated Balance Sheet	8
	Consolidated Statement of Comprehensive Income	10
	Consolidated Statement of Changes in Equity	12
	Consolidated Cash Flow Statement	14
\rightarrow	Condensed Notes to the Consolidated Financial Statements	15
\rightarrow	Interim Management Report	21
\rightarrow	Imprint	26



Letter to the Shareholders

Dear Shareholders, dear friends and supporters of NAGA,

The first half of 2020 was the strongest in our company's history: NAGA's sales revenues rose to EUR 11.7 million (previous year: EUR 1.67 million) and we achieved a half-year result of EUR 2.4 million (previous year: EUR -6.7 million) with an EBITDA margin of around 33.1 %.

All key performance indicators (KPIs) showed a clear growth trend. In the first half of 2020, more than 46,000 new users registered for NAGA (previous year: 18,500) and more than EUR 26 million in new deposits were made (previous year: EUR 8.3 million). Real money trades via the platform climbed to more than EUR 2.7 million with a high trading volume of around EUR 50 billion (previous year: 1.1 million trades with a trading volume of EUR 16.5 billion).

Sustainable and accelerated growth in the third quarter of 2020

In the third quarter of 2020, the strong growth continued with accelerated momentum. With record revenues of EUR 7.1M (Q3 2019: EUR 1.2M), we were able to post a solid EBITDA of EUR 1.9M (Q3 2019: EUR -1.0M) despite increased growth costs. In Q3 2020 the user base grew 4.5 times faster than in Q3 2019 and the monthly trading volume also increased significantly to over EUR 33 billion (Q3 2019: EUR 13 billion). We also recorded a new record with 1.6 million real money trades (Q3 2019: 947,000).

These record figures are evidence of this: Our growth strategy has paid off and is sustainable. We issued a forecast for the entire 2020 financial year at the end of July 2020. We expect net sales to quadruple year-on-year between EUR 22 million and EUR 24 million (previous year: EUR 6.2 million) and EBITDA between EUR 5.5 million and EUR 6 million (previous year: EUR -9.1 million).

The planned growth is primarily linked to increased investment in marketing & sales in order to gain

further market share. To this end, we have secured growth capital of around EUR 4.6 million with the cash capital increase successfully implemented in June/July 2020. In total, we placed 1,846,321 new shares at EUR 2.50 per share, thereby increasing our share capital to EUR 42,049,903.00.

NAGA expands into Australia and the African region

In 2021, we plan to commence operations through NAGA Markets Australia Pty Ltd. following the pending regulatory approval in Australia. Australia offers enormous growth potential for NAGA with more than six million people actively investing in the financial markets. Also, with a local presence in Cape Town, South Africa, we intend to enter another high-growth market starting next year, which will allow us to enter the market efficiently due to its same time zone and native English language. We have already expanded in Nigeria with two training centers.

NAGA is now an innovative provider of digital financial education

As of this year, NAGA is not only a global community for investors, but we are also now an innovative provider of digital financial education. With the fully digital educational concept we have developed and our new addition as Director of Education Andreas Thalassinos, we are now offering digital multi-webinars with a high quality educational concept, aimed at beginners in the trading industry. Especially our customers from South East Asia and Africa appreciate this new offer. Our kick-off event "Alpha Trading Event" took place at the end of September 2020. This will be regularly followed by digital workshops and other events.

NAGA develops its own Mobile Bank

On November 15, 2020, the mobile bank "NAGA PAY" will be launched in the Google and Apple App Store, which has already received thousands of pre-registrations and will be a significant growth driver for NAGA's FinTech platform. NAGA Pay is NAGA's entry into one of the fastest growing FinTech segments in the world.

Thanks to its developed brokerage technology, customer experience, regulatory and digital marketing expertise, NAGA is positioned to be not only one of the most innovative digital brokerages, but one of the strongest payment and investment offerings in an era of digitalization.

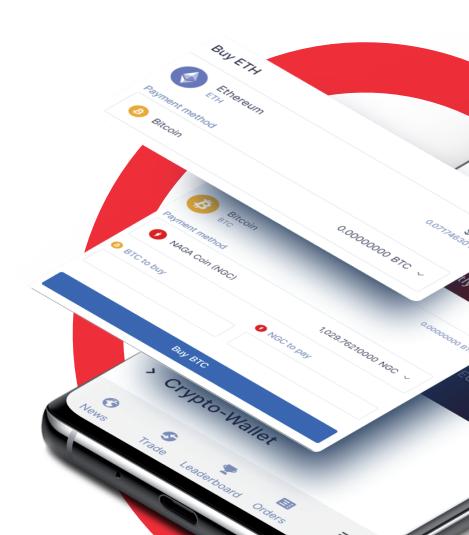
We believe we are well positioned for the current fourth quarter of 2020 and look forward to 2021 with confidence. Our focus in the coming quarters will be on investing in brand awareness, marketing and expanding our team.

With kind regards

The Board of Directors

Benjamin Bilski Andreas Luecke

Michalis Mylonas





Object of the Company

NAGA is a German Fintech company listed in the stock exchange segment "Scale" with headquarters in Hamburg. The core business of the group is online brokerage. Here NAGA offers besides the classical trading also its own social trading platform "Naga Trader". The investments in the subsidiaries result in additional business models at the Group level, which are based on the development of innovative financial technology ("Fintech") and block chain technology.

The superordinate sector of business activity is the financial sector. NAGA is in direct B2C contact. Brokerage is handled by the subsidiary NAGA Markets Ltd, Cyprus, which as a pure online broker provides trading platforms for CFDs, Forex, commodities, ETFs and stock indices.

The Group also focuses on the development of innovative financial technology for easy access to financial markets and the trading of crypto currencies.

Consolidated Financial Statements

as of June 30, 2020

Consolidated Balance Sheet	8
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Changes in Equity	12
Consolidated Cash Flow Statement	14



Consolidated Balance Sheet

as of June 30, 2020

	30.06.2020 '000 EUR	31.12.2019 '000 EUR
SETS		
Non-current assets		
Intangible assets	108,038	108,832
Property, plant and equipment	354	238
Rights of use	94	163
Financial investments and other assets	161	194
Deferred tax assets	252	252
Total non-current assets	108,899	109,679
Current assets		
Trade receivables	1,811	1,484
Other current assets	506	292
Tax receivables	111	111
Receivables from derivatives	5,737	4,217
Cash and cash equivalents	4,209	3,152
Total current assets	12,374	9,256
Prepaid expenses and accrued income	457	44
Total assets	121,730	118,979

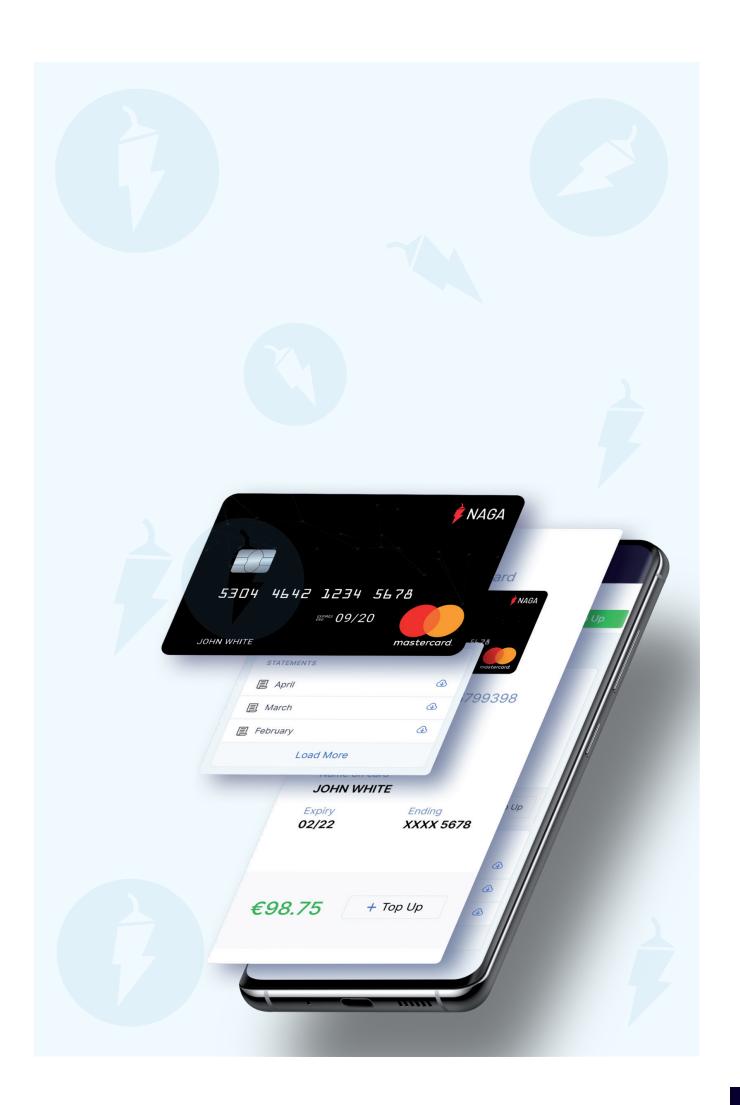
	30.06.2020 '000 EUR	31.12.2019 '000 EUR
BILITIES		
Equity		
Subscribed capital	40,204	40,204
Additional paid-in capital	98,190	97,992
Balance sheet result	-23,567	-26,226
Equity attributable to the shareholders of		·
the parent company	114,826	111,969
Non-controlling interests	-1,388	-1,148
Treasury stock	-5,526	-5,526
Total equity	107,912	105,294
Non-current liabilities		
Liabilities to shareholders	5,482	3,080
Deferred tax liabilities	470	552
Leasing liabilities	0	31
Total non-current liabilities	5,952	3,663
Current liabilities		
Trade accounts payable	1,802	853
Other current liabilities	4,764	7,121
Leasing liabilities	8	94
Liabilities from derivatives	420	252
Provisions for taxes	522	668
Other accruals	308	434
Total current liabilities	7,824	9,422
Contractual liabilities	41	50
Total debts	13,817	13,684
Total equity and liabilities	121,730	118,979



Consolidated Statement of Comprehensive Income

from January 1 to June 30, 2020

	01.01 30.06.2020 '000 EUR	01.01 30.06.2019 '000 EUR
Trading revenues	11,613	1,348
Revenues from services	59	323
Sales	11,673	1,672
Capitalized programming services	410	356
Total output	12,083	2,028
Other operating income	462	184
Development expenses	548	570
Direct expenses of trading revenues	1,488	751
Personnel expenses	1,678	2,409
Marketing and advertising expenses	2,881	1,079
Other operating expenses	2,081	1,986
Earnings before depreciation and amortization (EBITDA)	3,870	-4,583
Depreciation	1,414	2,190
Amortization of goodwill	0	0
Operating result (EBIT)	2,456	-6,774
Financial income	-11	1
Financial expenses	252	2
Earnings before taxes (EBT)	2,192	-6,774
Income taxes (expense (+) / income (-))	-227	-82
Deferred tax assets (expense (+) / income (-))	0	0
Net income/loss for the period / comprehensive income	2,419	-6,692
Of the consolidated net income attributable to		
Shareholders of the parent company	2,659	-6,323
Profit shares of non-controlling interests	-240	-369



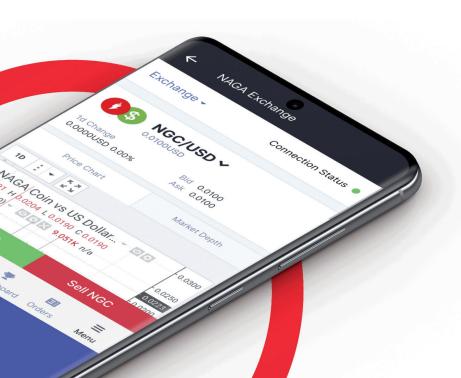


Consolidated Statement of Changes in Equity

from December 31, 2018 to June 30, 2020

	Subscribed capital '000 EUR	Additional paid-in capital '000 EUR	
Status as of 31.12.2018	40,204	97,993	
Acquisition of remaining shares in Easyfolio GmbH	0	0	
Additions to subsidiaries	0	0	
Profit/loss for the period/total comprehensive income for the period 01.01.2019 - 31.12.2019	0	0	
Status as of 31.12.2019	40,204	97,993	
Issue of convertible bond	0	197	
Profit/loss for the period/total comprehensive income			
for the period 01.01.2020 - 30.06.2020	0	0	
Status as of 30.06.2020	40,204	98,190	

Losses carried forward '000 EUR	Equity attributable to shareholders of the parent company '000 EUR	Non-controlling interests '000 EUR	Treasury stock '000 EUR	Total '000 EUR
-14,404	123,792	439	-5,525	118,704
211	211	-211	0	0
-33	-33	0	0	-33
-12,002	-12,002	-1,375	0	-13,377
-26,227	111,969	-1,147	-5,525	105,293
0	197	0	0	197
2,659	2,659	-240	0	2,419
-23,568	114,825	-1,387	-5,525	107,909





Consolidated Cash Flow Statement

from January 1 to June 30, 2020

	01.0130.06.2020 '000 EUR	01.0130.06.2019 '000 EUR
Cash flow from operating activities		
Income before income taxes	2,192	-6,774
Depreciation and impairment of fixed assets	1,414	2,168
Financial income and expenses	241	0
Taxes	-227	-82
Disposal result	-58	0
Other non-cash income and expenses	146	-14
Cash flow before changes of net current assets	3,708	-4,702
Decrease in provisions	-122	-275
Increase (-) / decrease (+) in trade receivables	-348	850
Increase in other assets	-2,157	2,647
Increase (+) / decrease (-) in trade accounts payable and other liabilities	-1,312	-178
Income taxes paid	0	-60
Operating cash flow	-232	-1,718
Cash flow from investing activities Proceeds from the disposal of subsidiaries less cash		
and cash equivalents disposed of	62	0
Proceeds from disposal of financial assets	33	0
Payments for investments in intangible assets	-505	-419
Payments made for investments in financial assets	0	4
Payments made for investments in property, plant and equipment	-162	-99
Cash flow from investing activities	-573	-514
Cash flow from financing activities		
Repayment of financial liabilities	0	-117
Payments received from taking out loans/convertible bonds	2,000	0
Interest paid	-138	0
Financing cash flow	1,862	-117
Net increase in cash and cash equivalents		
and cash equivalents	1,057	-2,349
Cash and cash equivalents at the beginning of the period	3,152	3,694
Cash and cash equivalents at the end of the period	4,209	1,347

Condensed Notes to the Consolidated Financial Statements

as of June 30, 2020



Condensed Notes to the Consolidated Financial Statements

as of June 30, 2020

1. INFORMATION ABOUT THE COMPANY

These unaudited interim consolidated financial statements are the consolidated financial statements of The Naga Group AG ("Naga AG") and its subsidiaries (collectively, the "Group" or "NAGA"). Naga AG is headquartered in Hamburg, Hohe Bleichen 12, Germany (Hamburg District Court, HRB 136811). Naga AG's shares are listed on the Frankfurt Stock Exchange in the Open Market segment "Scale".

The half-year financial statements for the period from January 1 to June 30, 2020 can only be compared to a limited extent with the half-year financial statements for the period from January 1, 2019 to June 30, 2019 (previous year = "previous year"), as Easyfolio GmbH was sold on May 7, 2020 and therefore deconsolidated as of April 30, 2020.

The Group's business activities consist of brokerage with Contracts for Difference (CFD), development of technologies for the financial sector and the use of block chain technology.

The first half of 2020 was very successful for NAGA. This was primarily due to the restructuring carried out in fiscal year 2019, which put the company on a growth and success path.

2. BASIC PRINCIPLES OF THE PREPARATION

The interim consolidated financial statements are in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). In particular, the interim consolidated financial statements comply with the guidelines on interim financial reporting in IAS 34 and fulfill DRS 16.

The requirements of the standards applied have been met, so that a true and fair view of the net assets, financial position and results of operations is presented. The interim consolidated financial statements of NAGA were prepared on a going concern basis.

The interim consolidated financial statements are prepared in EUR, the Group's functional currency. Unless otherwise indicated, financial information is presented rounded to the nearest thousand (EUR thousand), which may result in rounding differences.

3. CONSOLIDATED COMPANIES

The consolidated group changed in the first half of 2020 compared to the 2019 fiscal year to include Naga Pay GmbH as of April 30, 2020. Easyfolio GmbH, however, was deconsolidated as of April 30, 2020

Overview of the scope of consolidation of NAGA as of June 30, 2020

Company	Main business activity	Shareh 30.06. 2020	oldings 31.12. 2019
The Naga Group AG,	Holding		
Hamburg (parent	of invest-		
company)	ments	-	-
NAGA Markets Ltd.,	Securities		
Limassol, Cyprus	Trading	100%	100%
Naga Technology			
GmbH, Hamburg			
(formerly	software		
SwipeStox GmbH)	development	100%	100%
Naga Virtual GmbH,			
Hamburg (formerly			
Switex GmbH,	software		
Frankfurt am Main)	development	100%	100%
Hanseatic			
Brokerhouse			
Securities AG	Holding of		
(HBS), Hamburg	investments	72%	72.16%
Naga Brokers	Internal		
GmbH, Hamburg	services	72%	72.16%
Easyfolio GmbH,	Investment		
Frankfurt am Main	Brokerage	0%	100%
Naga Global Ltd.,			
Saint Vincent &	Securities		
Grenadines	Trading	100%	100%

Main	Shareh	<u>oldings</u>
business activity	30.06. 2020	31.12. 2019
Internal		
services	100%	100%
Distribution		
company	99%	99%
Distribution		
company	100%	100%
mobile bank	100%	-
	Internal services Distribution company Distribution company	Internal services 100% Distribution company 99% Distribution company 100%

Naga Pay GmbH is currently developing an application for mobile banking and investing. The application is expected to be completed in the second half of 2020. The company has not started any business activities beyond that.

4. ESTIMATES AND ASSUMPTIONS AS WELL AS ACCOUNTING POLICIES

The Executive Board uses assumptions and estimates in preparing interim consolidated financial statements in accordance with IFRS. These assumptions and estimates are made to the best of our knowledge in order to provide a true and fair view of the net assets, financial position and results of operations of the Group. Actual results and developments may differ from these estimates and assumptions.

The accounting policies applied in these interim consolidated financial statements largely correspond to those applied in the last consolidated financial statements. A detailed description of the accounting policies is included in the notes to the consolidated financial statements.

a) Impairments

At each balance sheet date, property, plant and equipment and intangible assets are reviewed for indications of impairment by comparing the recoverable amount and carrying amount.

Intangible assets with indefinite useful lives or intangible assets not yet in use are tested for impairment at least once a year and additionally if there are indications of impairment ("triggering event"). However, no such indications existed in the first half of 2020.

b) Income taxes

Significant assumptions and estimates are required to determine income tax liabilities, as the final income tax charge is uncertain for a number of transactions and calculations. Where the final tax charge differs from the liabilities recognized, such differences will affect current and deferred income taxes. The Group uses external service providers to determine its income tax charge.

c) Related party transactions

With the exception of the convertible bond issued to the shareholder Fosun Fintech Holdings (HK) Ltd. in January (see "g) Equity/Dividends" below), the Group did not enter into any business relations with related parties in the first half of 2020 that exceed the existing business relations as of December 31, 2019 (see section 12. of the notes to the consolidated financial statements as of December 31, 2019).

d) Other estimation uncertainties

In addition, significant assumptions and estimates relate to the uniform determination of useful lives throughout the Group and to the determination of recoverable amounts for the purpose of impairment testing. New information is taken into account as soon as it becomes available. At the time of preparing the interim consolidated financial statements, it is not assumed that there have been any material changes to the assumptions and estimates.

e) Financial instruments

Financial assets and liabilities are recognized when the Group has a contractual right to receive cash or another financial assets from another party or a contractual obligation to transfer financial assets to another party. Financial assets and financial liabilities are recognized from the date on which the Group becomes a party to the contractual provisions of the financial instrument. Financial assets which are acquired or sold at normal market conditions are generally recognized on the trading date.

With regard to financial instruments and financial risk management, there are no differences compared to the previous annual financial statements, which were explained there under Note 8.



5. NOTES ON INDIVIDUAL ITEMS IN THE INTERIM CONSOLIDATED BALANCE SHEET

a) Intangible assets

Purchased software, licenses and industrial property rights are stated at cost and amortized on a straight-line basis over their expected useful lives of three to five years. The amortization period for intangible assets with finite useful lives is reviewed at least at the end of each financial year. These assets are tested for impairment if there are indications of impairment.

Development costs of EUR 410 thousand (previous year: EUR 356 thousand) were capitalized in the first half of the year and reported in the statement of comprehensive income as capitalized programming services and in the cash flow statement as payments for investments in intangible assets.

The classification of whether an issue is capitalized or expensed is determined by the Executive Board on the basis of submitted activity reports. Due to the user-oriented development of software applications, expenses for programming services, maintenance and bugfixing in the amount of EUR 548 thousand (prior year: EUR 570 thousand) were expensed in the statement of comprehensive income in the first half of 2020.

The recoverability of the goodwill of the cashgenerating unit ("CGU") Brokerage was verified and confirmed by means of an impairment test within the framework of the preparation of the consolidated financial statements of the previous fiscal year. The Group's three-year business plan served as the basis for this test. There are no indications that goodwill may be impaired in the meantime.

Goodwill is subject to an annual impairment test. The method and assumptions are explained in Note 4.4 a).

b) Trade receivables

Trade receivables are carried at their nominal amount and amount to EUR 1,811 thousand at June 30, 2020 (prior year: EUR 1,484 thousand). Thereof, trade receivables of EUR 1,467 thousand (prior year: EUR 1,446 thousand) are due from Naga Development Association Ltd, Belize City/Belize, ("NDAL"), with whom NAGA made an Initial Token Sale in 2017.

c) Other current assets

Other current assets of EUR 506 thousand (prior year: EUR 292 thousand) are composed as follows:

in '000 EUR	30.06. 2020	31.12. 2019	Change
Value added tax claim	181	7	174
Short-term loans	70	70	0
Balance Paypal, Kraken account and credit card	37	56	-19
Deposit	0	87	-87
Miscellaneous	218	72	146
Total	506	292	214

d) Cash and cash equivalents

Cash and cash equivalents consist solely of short-term bank balances in the amount of EUR 4,209 thousand (prior year: EUR 3,152 thousand).

The amounts of cash and cash equivalents received in the cash flow statement correspond to the corresponding item in the balance sheet. In the amount of EUR 1,774 thousand (prior year: EUR 2,887 thousand), there are restraints on disposal as these funds are deposited with liquidity providers as collateral.

e) Trade accounts payable

Trade payables amount to EUR 1,802 thousand (prior year: EUR 853 thousand) and have a maximum term of one year.

f) Other current liabilities

Other current liabilities amount to EUR 4,764 thousand (prior year: EUR 7,121 thousand) and mainly include client funds, VAT liabilities and liabilities for wages and salaries.

g) Equity/Dividends

At June 30, 2020, the subscribed capital ("share capital") remains unchanged at EUR 40,203,582 and is divided into 40,203,582 registered no-par value shares. There are no special preferential rights for certain shares.

Authorized Capital

By resolution of the Annual General Meeting on August 31, 2018, the Executive Board is authorized, with the consent of the Supervisory Board, to increase the share capital of Naga AG in the period until August 30, 2023, once or several times by a total of up to EUR 20,101,791.00 by issuing up to 20,101,791 new registered shares against cash and/or contributions in kind, whereby the subscription right can be excluded.

The unused authorized capital amounts to EUR 20,102 thousand as of June 30, 2020.

Conditional capital

The share capital of Naga AG is conditionally increased by up to EUR 1,369,860.00 by issuing up to 1,369,860 registered shares (Conditional Capital 2017). The conditional capital increase serves exclusively to grant rights to the holders of stock option rights from a stock option program, which the Supervisory Board was authorized to issue by a resolution of the Shareholders' Meeting on March 22, 2017 (Conditional Capital 2017 I). The stock option program has not been used so far.

The capital stock of Naga AG has been conditionally increased by resolution of the Annual General Meeting on May 24, 2017, by up to EUR 8,634,164.00 for the purpose of carrying out convertible bonds and / or bonds with warrants issued on the basis of the authorization resolution of the Annual General Meeting on the same day by issuing up to 8,634,164 no-par value registered shares (Conditional Capital 2017).

On January 15, 2020, a convertible bond in the amount of EUR 2,000,000 was issued, which was subscribed exclusively by FOSUN Fintech Holding (HK) Limited. This convertible bond carries an interest rate of 6% p.a. The term is two years. For accounting purposes, the convertible bond was split into a bond component and a conversion component. The conversion component of '000 EUR 197 is recognized in equity. The shares will be issued from conditional capital or from the use of authorized capital after the conversion has been executed.

Treasury stock

indirectly holds treasury stock, as HBS itself holds 1,137,139 shares of the Naga Group AG as fixed assets. At the time of acquisition, the treasury shares were deducted from equity at cost in accordance with IAS 32.33. The acquisition costs including incidental acquisition costs of the treasury shares remained unchanged at the time of acquisition at '000 EUR 5,526.

The cost method was chosen for the disclosure of treasury stock. As a result, the acquisition costs are deducted from equity in a separate line and in one sum.

Dividends

No dividend payment to shareholders is expected to be resolved or made for fiscal year 2020.

h) Leasing

The Group makes use of the relief that leasing agreements for assets with a low value and a term of up to one year are not disclosed in the balance sheet. Such leases exist in particular for the office premises in Hamburg and office and business equipment.

In addition, Naga Markets has entered into a lease agreement for the office space with a term of two years. In accordance with IFRS 16, a right of use is capitalized and depreciated using the straight-line method.

6. NOTES TO INDIVIDUAL ITEMS OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

a) Other operating income

In the first half year 2020, value added tax liabilities in the amount of '000 EUR 358 were derecognized, as the reason for these liabilities no longer applies due to new information.

b) Income taxes

Income taxes include income from the partial derecognition of a Cypriot income tax liability in the amount of '000 EUR 146.



7. EVENTS AFTER THE BALANCE SHEET DATE

Capital increase 2020

The cash capital increase resolved on June 29, 2020 was executed in July 2020. The share capital was increased by an amount of EUR 1,846 thousand against cash contribution by utilizing the Authorized Capital 2018.

Cooperation and participation

Already in June 2020, a cooperation agreement was signed with Horizons Holding Ltd. to enter the Chinese market with the support of the major shareholder. In July 2020, Naga AG acquired a corporate interest in Horizons Holding Ltd.





Interim Management Report

as of June 30, 2020

BASICS OF THE PRESENTATION

The present half-year consolidated management report of The Naga Group AG (hereinafter referred to as "NAGA" or "Group") was prepared in accordance with German Accounting Standard ("GAS") 16. All report contents and statements refer to the reporting date June 30, 2020.

FORWARD-LOOKING STATEMENTS

This half-year group management report may contain forward-looking statements and information which can be identified by formulations such as "expect", "want", "anticipate", "intend", "plan", "believe", "aim", "estimate", "will" or similar terms. Such forward-looking statements are based on the expectations prevailing at the time of preparation and on certain assumptions that may involve a number of risks and uncertainties. NAGA's actual results may differ materially from those set forth in such forward-looking statements. NAGA assumes no obligation to update these forward-looking statements or to correct them in the event of developments other than those anticipated.

NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

NAGA achieved a positive EBITDA of '000 3,870 in the first half of 2020 (previous year '000 -4,583). Due to a significant increase in sales revenues, the net result for the first half year 2020 is positive at '000 2,419 (prior year: '000 -6,692).

In the first half of 2020, the number of transactions rose significantly to more than 2.7 million and an increased trading volume of around EUR 50 billion compared with the same period of the previous year (previous year: 1.1 million real money trades with a trading volume of EUR 16.5 billion).

As of June 30, 2020, NAGA managed client assets of EUR 18.5 million (previous year: EUR 13 million).

The number of customers increased from 25,376 at December 31, 2019, to 37,922 at June 30, 2020.

This represents an increase of 12,546 customers or 49.4% in the reporting period.

a) Earnings situation of the Group

The earnings situation has improved considerably compared with the same period of the previous year. This is due to the strong increase in trading revenues, as costs rose disproportionately less than in the previous year.

Trading revenues

The revenues generated from the brokerage business amount to EUR 11,613 thousand (prior year: EUR 1,348 thousand). Thereof, '000 EUR 6,644 (previous year '000 EUR 1,223) is attributable to Naga Markets and '000 EUR 5,055 (previous year '000 EUR 124) to Naga Global. The strong increase in trading revenues was mainly due to the acquisition of new customers, the increase in trading volumes and the high volatility on the financial markets in the reporting period.

Revenues from services

In addition to trading revenues, service revenues of '000 59 (prior year: '000 EUR 323) were generated. The main service revenues were generated by Easyfolio GmbH through sales commissions. Easyfolio was deconsolidated as of April 30, 2020.

Capitalized programming services

Capitalized programming services amount to EUR 410 thousand (prior year: EUR 356 thousand) and mainly relate to the Naga Trader application.

Other operating income

Other operating income of '000 EUR 462 (prior year: '000 EUR 184) mainly includes the income from the sale of Easyfolio GmbH and the income from the derecognition of VAT liabilities. In the prior year, it mainly contained currency income from the increased crypto exchange rates.

Personnel expenses

Due to restructuring measures, personnel expenses continued to decline.

Other operating expenses

Other operating expenses in the amount of EUR 2,081 thousand (prior year: EUR 1,986 thousand) are composed as follows:

in '000 EUR	01.0130.06. 2020	01.0130.06. 2019
Legal and		
consulting fees	1,230	767
Rent expenses	40	260
web services	182	269
External services	25	180
Travel expenses	55	128
Miscellaneous	549	382
Total	2,081	1,986

The rental expenses relate to short-term leases expiring in the current financial year which do not have to be reported separately in accordance with IFRS 16.

Depreciation

Depreciation and amortization of EUR 1,414 thousand (previous year: EUR 2,190 thousand) mainly relate to Swipy technology (EUR 634 thousand), the Naga Trader (EUR 330 thousand) and the acquired customer base of HBS (EUR 262 thousand). In addition, amortization of rights of use in accordance with IFRS 16 in the amount of '000 EUR 70 (previous year '000 EUR 21) was incurred.

EBITDA development

EBITDA has improved considerably compared to the same period of the previous year. The reason for this is the sharp increase in trade and service revenues. In addition, restructuring expenses were significantly reduced.

Net income for the period

The positive net income for the period amounts to '000 EUR 2,419 (prior year: '000 EUR - 6,692). There were no non-scheduled depreciations or value adjustments.

Financial position of the Group

No capital increase was carried out in the first half of the year. The Group's capital structure is as follows:

in %	30.06. 2020	31.12. 2019	Change
Equity ratio	88.6	88.5	0.1
Debt ratio	11.4	11.5	-0.1
Gearing	12.9	13.0	-0.1

The Group's cash flows developed as follows in the first half of 2020:

in '000 EUR	30.06.2020	30.06.2019
Cash flow from		
operating		
activities	-232	-1,718
Cash flow from		
current		
investment activities	-573	-514
Cash flow from		
current		
financing activities	1,862	-117
Cash and cash		
equivalents at the		
beginning of the		
period	3,152	3,694
Cash and cash		
equivalents at the		
end of the period	4,210	1,347

Cash and cash equivalents increased by EUR 1,058 thousand to EUR 4,210 thousand in the first half year.

The liquidity from cash and cash equivalents at the reporting date developed as follows:

in '000 EUR	30.06. 2020	31.12. 2019	Change
Means of payment	4,209	3,152	1,057
less current liabilities	7,824	9,422	-1,598
Subtotal	-3,615	-6,270	2,655
plus current assets	8,165	6,104	2,061
Over-coverage / under-coverage	4,550	-166	4,716



As of the balance sheet date, the Group shows a surplus of current assets and cash and cash equivalents over current liabilities of EUR 4,550 thousand (previous year: EUR -166 thousand).

The cover ratio of medium and long-term assets and medium and long-term capital is shown in the following overview:

in '000 EUR	30.06. 2020	31.12. 2019	Change
Equity	107,912	105,294	2,618
plus medium and long-term			
debt	5,403	4,213	1,190
less medium and long-term			
assets	108,899	109,679	-780
Over-coverage /			
under-coverage	4,416	-172	4,588

Medium and long-term assets are covered by equity to 104%.

c) Net assets of the Group

NAGA's financial position developed as follows in the first half of 2020:

in '000 EUR	30.06. 2020	31.12. 2019	Change
Assets	121,730	118,979	2,751
Non-current assets	108,899	109,679	-780
Current assets (including prepaid expenses)	12,831	9,300	3,531
Liabilities	121,730	118,979	2,751
Equity	107,912	105,294	2,618
Non-current liabilities	5,952	4,213	1,739
Current liabilities (including accruals			
and deferrals)	7,866	9,472	-1,606

The reduction in non-current assets is due to scheduled depreciation.

The increase in current assets is mainly due to higher receivables from derivatives and cash and cash equivalents compared to the prior-year period.

Current assets (including prepaid expenses) of EUR 12,831 thousand (previous year: EUR 9,300 thousand) include trade receivables of EUR 1,811 thousand (previous year: EUR 1,484 thousand), cash and cash equivalents of EUR 4,209 thousand (previous year: EUR 3,152 thousand) and EUR 37 thousand (previous year: EUR 378 thousand) in credit balances with PayPal accounts and crypto exchanges. In addition, there are receivables from derivatives amounting to EUR 5,737 thousand (previous year: EUR 4,217 thousand).

As of June 30, 2020, current liabilities mainly include trade payables of EUR 1,802 thousand (prior year: EUR 853 thousand) and accruals of EUR 308 thousand (prior year: EUR 434 thousand).

FORECAST, OPPORTUNITIES AND RISK REPORT

a) Forecast report

For the fiscal year 2020, NAGA maintains the guidance given in July 2020, according to which the Board of Directors expects revenues between EUR 22 million and EUR 24 million and an EBITDA in the range of EUR 5.5 - 6.0 million.

b) Report on opportunities and risks

With regard to opportunities and risks, there have been no changes compared to the presentation in the previous Annual Report 2019.

GOVERNING BODIES OF THE COMPANY

Board of Directors

The Management Board was or is comprised of

- Mr. Benjamin Bilski, Cyprus, Business Economist (M. Sc.)
- Mr. Andreas Luecke, Hamburg, lawyer/tax consultant
- Michalis Mylonas, Cyprus, Managing Director

Supervisory Board

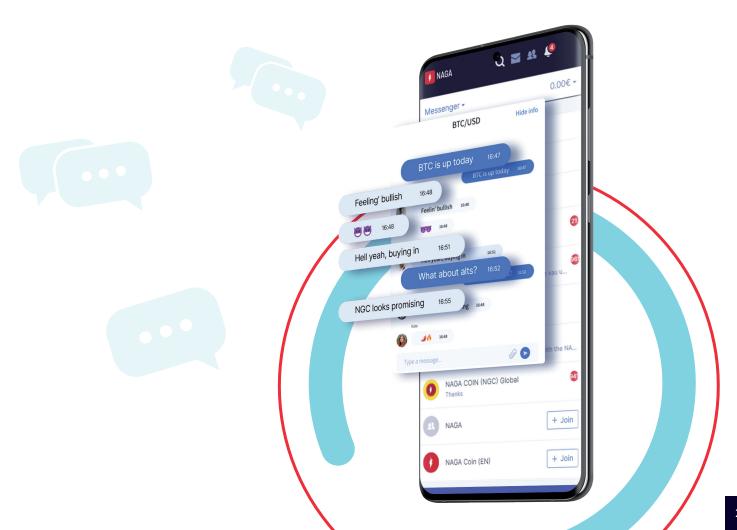
The following were or are appointed as members of the Supervisory Board:

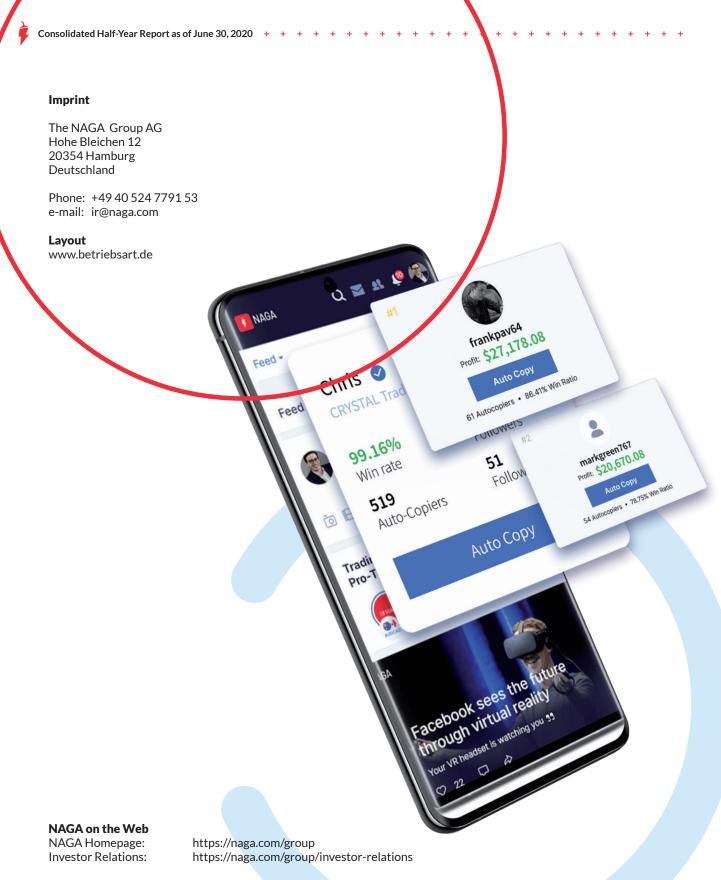
- Harald Patt, Friedrichsdorf, Managing Director, (Chairman)
- Mr. Hans-Jochen Lorenzen, Hamburg, auditor/tax consultant
- Mr. Wieslaw Bilski, Frankfurt am Main, Managing Director (until September 25, 2020)
- Mr. Robert Sprogies, Vaterstetten, Managing Director (Deputy Chairman)
- Mr. Stefan Schulte, Düsseldorf, lawyer/tax consultant (until May 18, 2020)
- Mr. Qiang Liu, Shanghai (China), Managing Director

Hamburg, November 2, 2020

The Naga Group AG

- Board of Directors -





Social Media

NAGA Facebook: https://www.facebook.com/nagagroup/ NAGA Twitter: https://twitter.com/thenagagroup?lang=de

NAGA YouTube: https://www.youtube.com/channel/UCRa1cmTcH_BliXn5ShLDJew

NAGA Instagram: https://www.instagram.com/thenagagroup/?hl=de NAGA LinkedIn: https://www.linkedin.com/company/the-naga-group-ag/

