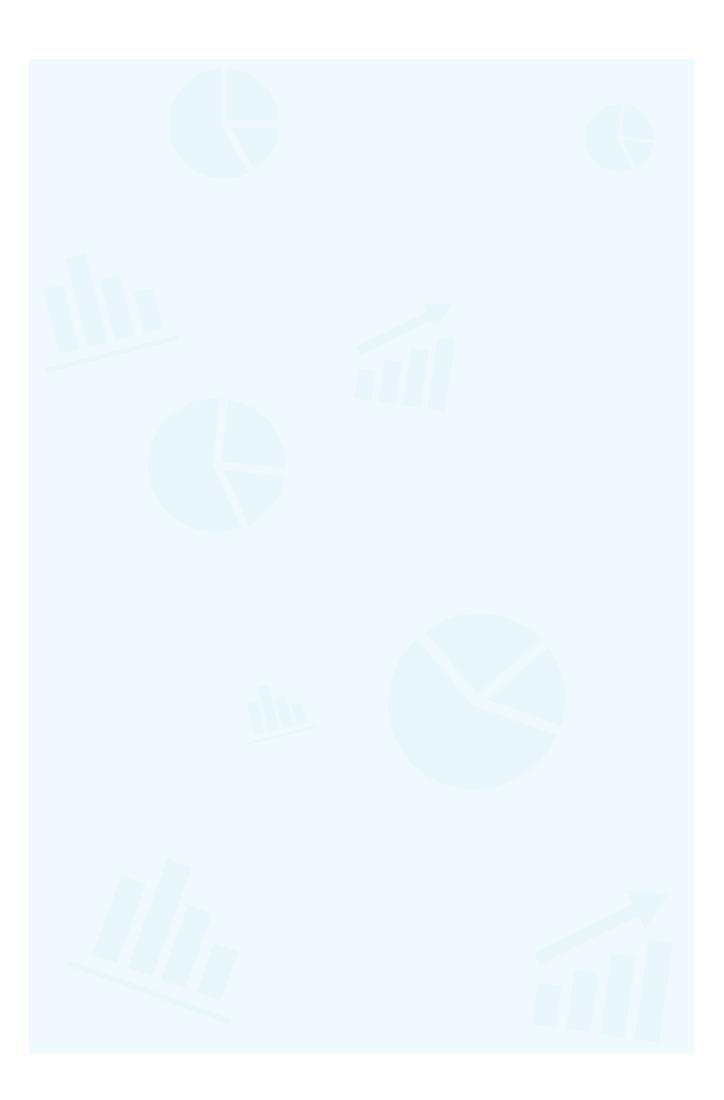


### **CONSOLIDATED HALF-YEAR REPORT**

as of 30 June, 2023





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### Object of the company

NAGA is a German fintech company based in Hamburg and listed on the open market in the "Basic Board" segment of the Frankfurt Stock Exchange. The Group's core business is online brokerage. In addition to traditional trading, NAGA also offers its own social trading platform "Naga Trader". The investments in the subsidiaries result in further business models at Group level, which are based on the development of innovative financial technology ("fintech") and blockchain technology.

The financial sector is the primary industry in which the company operates. NAGA is in direct B2C contact. Brokerage is handled by the subsidiaries NAGA Markets Europe Ltd, Cyprus, NAGA Global LLC, St. Vincent & Grenadienen and NAGA Capital Ltd, Seychelles, which provide trading platforms for CFDs, Forex, commodities, ETFs and share indices as pure online brokers.

Another focus of the Group is on the development of innovative financial technology for easy access to financial markets and the trading of cryptocurrencies.



# Half-Year Consolidated Financial Statements

as of June 30, 2023

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### Half-Year Consolidated Balance Sheet

as of June 30, 2023

	30.06.2023 kEUR	31.12.2022 kEUR
SSETS		
Non-current assets		
Intangible assets	112,103	114,212
Property, plant and equipment	548	564
Right-of-use assets	275	40
Financial assets and other assets	54	180
Total non-current assets	112,980	114,997
Current assets		
Trade receivables	427	184
Other current assets	15,726	14,579
Receivables from derivatives	18,421	14,057
Cash and cash equivalents	3,604	3,087
Total current assets	38,179	31,906
Total assets	151,159	146,903

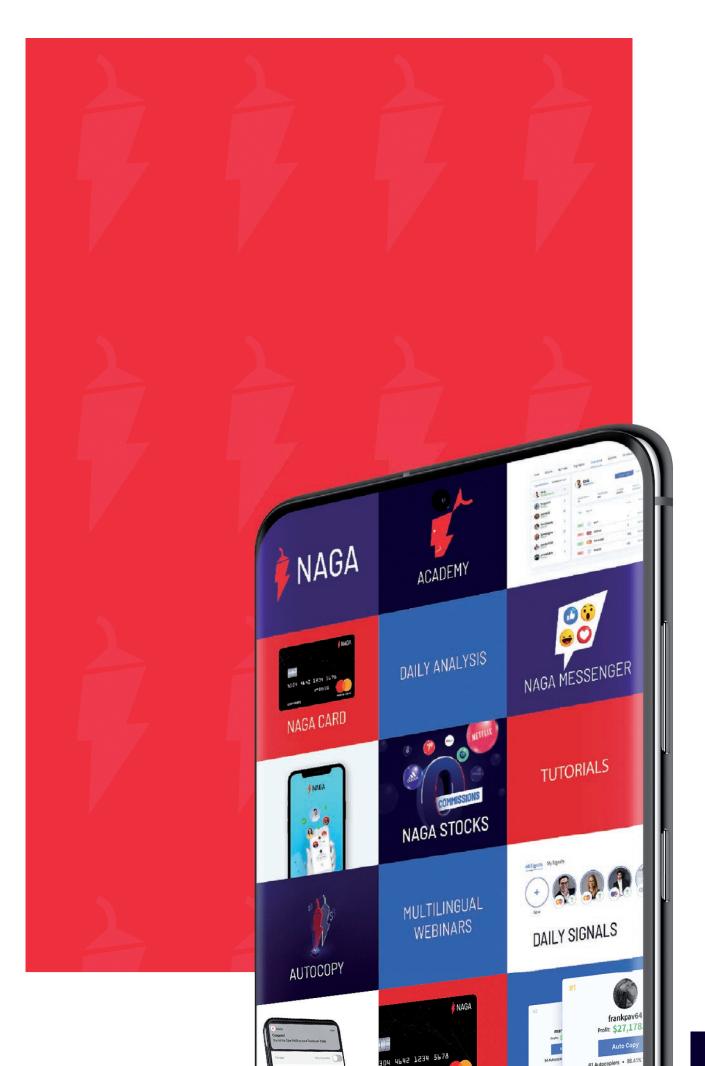
	30.06.2023 kEUR	31.12.2022 kEUR
BILITIES		
Equity		
Subscribed capital	54,048	54,048
Capital reserve	151,989	151,943
Balance sheet result	-80,590	-78,910
Currency translation	-6	5
Equity attributable to shareholders		
of the parent company	125,442	127,086
Non-controlling interests	-1,042	-1,024
Total equity	124,400	126,063
Deferred tax liabilities  Total non-current liabilities	0	14 <b>14</b>
Current liabilities		24
Liabilities from deliveries and services	2,044	3,241
Other current liabilities	23,280	15,079
Leasing liabilities	258	40
Liabilities from derivatives	199	390
Other provisions	979	2,076
Total current liabilities	26,759	20,825
Total liabilities	26,759	20,839
Total equity and liabilities	151,159	146,903



# Consolidated Statement of Comprehensive Income

from January 1 to June 30, 2023

Trading revenue		01.01 30.06.2023 kEUR	01.01 30.06.2022 kEUR
Sales revenue         25,260         35,018           Capitalized programming services         1,313         3,913           Total output         26,572         38,932           Direct expenses of trading income         11,042         3,607           Trading costs         18         333           Gross income         15,512         34,992           Other operating income         588         36           Development expenses         1,423         4,456           Personnel expenses         3,518         5,536           Marketing and advertising expenses         3,010         20,523           Devaluation of current assets         75         1,951           Other operating expenses         4,940         5,303           Earnings before interest, taxes, depreciation and amortization (EBITDA)         3,134         -2,742           Depreciation and amortization         4,346         3,897           Devaluation of non-current crypto assets         0         11,995           Operating result (EBIT)         -1,213         -18,634           Financial income         22         10           Financial income         22         10           Financial expenses         521         512	Trading revenue	25,260	35.018
Total output         26,572         38,932           Direct expenses of trading income         11,042         3,607           Trading costs         18         333           Gross income         15,512         34,992           Other operating income         588         36           Development expenses         1,423         4,456           Personnel expenses         3,518         5,536           Marketing and advertising expenses         3,010         20,523           Devaluation of current assets         75         1,951           Other operating expenses         4,940         5,303           Earnings before interest, taxes, depreciation and amortization (EBITDA)         3,134         -2,742           Depreciation and amortization         4,346         3,897           Devaluation of non-current crypto assets         0         11,995           Operating result (EBIT)         -1,213         -18,634           Financial income         22         10           Financial income         22         10           Financial expenses         521         512           Earnings before taxes (EBT)         -1,712         -19,137           Income taxes (expense (+) / income (-))         -1         -1 </td <td></td> <td></td> <td></td>			
Total output         26,572         38,932           Direct expenses of trading income         11,042         3,607           Trading costs         18         333           Gross income         15,512         34,992           Other operating income         588         36           Development expenses         1,423         4,456           Personnel expenses         3,518         5,536           Marketing and advertising expenses         3,010         20,523           Devaluation of current assets         75         1,951           Other operating expenses         4,940         5,303           Earnings before interest, taxes, depreciation and amortization (EBITDA)         3,134         -2,742           Depreciation and amortization         4,346         3,897           Devaluation of non-current crypto assets         0         11,995           Operating result (EBIT)         -1,213         -18,634           Financial income         22         10           Financial income         22         10           Financial expenses         521         512           Earnings before taxes (EBT)         -1,712         -19,137           Income taxes (expense (+) / income (-))         -1         -1 </td <td>Capitalized programming services</td> <td>1,313</td> <td>3,913</td>	Capitalized programming services	1,313	3,913
Trading costs         18         333           Gross income         15,512         34,992           Other operating income         588         36           Development expenses         1,423         4,456           Personnel expenses         3,518         5,536           Marketing and advertising expenses         3,010         20,523           Devaluation of current assets         75         1,951           Other operating expenses         4,940         5,303           Earnings before Interest, taxes, depreciation and amortization (EBITDA)         3,134         -2,742           Depreciation and amortization         4,346         3,897           Devaluation of non-current crypto assets         0         11,995           Operating result (EBIT)         -1,213         -18,634           Financial income         22         10           Financial expenses         521         512           Earnings before taxes (EBT)         -1,712         -19,137           Income taxes (expense (+) / income (-))         -14         -82           Profit for the period         -1,698         -19,055           Equity difference from currency translation         -11         0           Total result         -1,099 <t< td=""><td></td><td></td><td></td></t<>			
Trading costs         18         333           Gross income         15,512         34,992           Other operating income         588         36           Development expenses         1,423         4,456           Personnel expenses         3,518         5,536           Marketing and advertising expenses         3,010         20,523           Devaluation of current assets         75         1,951           Other operating expenses         4,940         5,303           Earnings before interest, taxes, depreciation and amortization (EBITDA)         3,134         -2,742           Depreciation and amortization         4,346         3,897           Devaluation of non-current crypto assets         0         11,995           Operating result (EBIT)         -1,213         -18,634           Financial income         22         10           Financial expenses         521         512           Earnings before taxes (EBT)         -1,712         -19,137           Income taxes (expense (+) / income (-))         -14         -82           Profit for the period         -1,698         -19,055           Equity difference from currency translation         -11         0           Total result         -1,009 <t< td=""><td>Direct expenses of trading income</td><td>11,042</td><td>3,607</td></t<>	Direct expenses of trading income	11,042	3,607
Other operating income         588         36           Development expenses         1,423         4,456           Personnel expenses         3,518         5,536           Marketing and advertising expenses         3,010         20,523           Devaluation of current assets         75         1,951           Other operating expenses         4,940         5,303           Earnings before interest, taxes, depreciation and amortization (EBITDA)         3,134         -2,742           Depreciation and amortization         4,346         3,897           Devaluation of non-current crypto assets         0         11,995           Operating result (EBIT)         -1,213         -18,634           Financial income         22         10           Financial expenses         521         512           Earnings before taxes (EBT)         -1,712         -19,137           Income taxes (expense (+) / income (-))         -14         -82           Profit for the period         -1,698         -19,055           Equity difference from currency translation         -11         0           Total result         -1,709         -19,055           The net profit for the period is attributable to         -1,680         -19,063           Profit at			333
Development expenses   1,423   4,456	Gross income	15,512	34,992
Personnel expenses         3,518         5,536           Marketing and advertising expenses         3,010         20,523           Devaluation of current assets         75         1,951           Other operating expenses         4,940         5,303           Earnings before interest, taxes, depreciation and amortization (EBITDA)         3,134         -2,742           Depreciation and amortization         4,346         3,897           Devaluation of non-current crypto assets         0         11,995           Operating result (EBIT)         -1,213         -18,634           Financial income         22         10           Financial expenses         521         512           Earnings before taxes (EBT)         -1,712         -19,137           Income taxes (expense (+) / income (-))         -14         -82           Profit for the period         -1,698         -19,055           Equity difference from currency translation         -11         0           Total result         -1,709         -19,055           The net profit for the period is attributable to         -1,680         -19,063           Profit attributable to non-controlling interests         -18         8           Of the total result, the following are attributable to         -1,691	Other operating income	588	36
Marketing and advertising expenses         3,010         20,523           Devaluation of current assets         75         1,951           Other operating expenses         4,940         5,303           Earnings before interest, taxes, depreciation and amortization (EBITDA)         3,134         -2,742           Depreciation and amortization         4,346         3,897           Devaluation of non-current crypto assets         0         11,995           Operating result (EBIT)         -1,213         -18,634           Financial income         22         10           Financial expenses         521         512           Earnings before taxes (EBT)         -1,712         -19,137           Income taxes (expense (+) / income (-))         -14         -82           Profit for the period         -1,698         -19,055           Equity difference from currency translation         -11         0           Total result         -1,099         -19,055           The net profit for the period is attributable to         -1,680         -19,063           Profit attributable to non-controlling interests         -18         8           Of the total result, the following are attributable to         -1,691         -19,063           Profit attributable to non-controlling interests	Development expenses	1,423	4,456
Devaluation of current assets   75	Personnel expenses	3,518	5,536
Other operating expenses4,9405,303Earnings before interest, taxes, depreciation and amortization (EBITDA)3,134-2,742Depreciation and amortization4,3463,897Devaluation of non-current crypto assets011,995Operating result (EBIT)-1,213-18,634Financial income2210Financial expenses521512Earnings before taxes (EBT)-1,712-19,137Income taxes (expense (+) / income (-))-14-82Profit for the period-1,698-19,055Equity difference from currency translation-110Total result-1,709-19,055The net profit for the period is attributable to-1,680-19,063Profit attributable to non-controlling interests-188Of the total result, the following are attributable to-1,691-19,063Profit attributable to non-controlling interests-188Earnings per share in EUR-0.03-0.35Undiluted-0.03-0.35	Marketing and advertising expenses	3,010	20,523
Earnings before interest, taxes, depreciation and amortization (EBITDA)  Depreciation and amortization  Devaluation of non-current crypto assets  Operating result (EBIT)  Financial income  Pinancial expenses  Earnings before taxes (EBT)  Income taxes (expense (+) / income (-))  Profit for the period  Total result  The net profit for the period is attributable to  Shareholders of the parent company  Profit attributable to non-controlling interests  The net parent company  Profit attributable to non-controlling interests  The net parent company  Profit attributable to non-controlling interests  The net parent company  Profit attributable to non-controlling interests  The net parent company  Profit attributable to non-controlling interests  The net parent company  Profit attributable to non-controlling interests  The net profit for the parent company  Profit attributable to non-controlling interests  The net parent company  Profit attributable to non-controlling interests  The net profit for the parent company  Profit attributable to non-controlling interests  The net profit for the parent company  Profit attributable to non-controlling interests  The net profit for the parent company  Profit attributable to non-controlling interests  The net profit for the parent company  Profit attributable to non-controlling interests  The net profit for the parent company  Profit attributable to non-controlling interests  The net profit for the parent company  Profit attributable to non-controlling interests  The net profit for the parent company  Profit attributable to non-controlling interests  The net profit for the parent company  Profit attributable to non-controlling interests  The net profit for the parent company  Profit attributable to non-controlling interests  The net profit for the parent company  Profit attributable to non-controlling interests  The net profit for the parent company  Profit attributable to non-controlling interests  The net profit for the parent company  Profit attributable to non-controlling inte	Devaluation of current assets	75	1,951
amortization (EBITDA)         3,134         -2,742           Depreciation and amortization         4,346         3,897           Devaluation of non-current crypto assets         0         11,995           Operating result (EBIT)         -1,213         -18,634           Financial income         22         10           Financial expenses         521         512           Earnings before taxes (EBT)         -1,712         -19,137           Income taxes (expense (+) / income (-))         -14         -82           Profit for the period         -1,698         -19,055           Equity difference from currency translation         -11         0           Total result         -1,709         -19,055           The net profit for the period is attributable to         -1,680         -19,063           Profit attributable to non-controlling interests         -18         8           Of the total result, the following are attributable to         -1,691         -19,063           Profit attributable to non-controlling interests         -18         8           Earnings per share in EUR         -0.03         -0.35	Other operating expenses	4,940	5,303
Devaluation of non-current crypto assets  Operating result (EBIT)  -1,213  -18,634  Financial income  22  10  Financial expenses  521  521  Earnings before taxes (EBT)  -1,712  -19,137  Income taxes (expense (+) / income (-))  Profit for the period  -1,698  -19,055  Equity difference from currency translation  -11  0  Total result  -1,709  -19,055  The net profit for the period is attributable to  Shareholders of the parent company  Profit attributable to non-controlling interests  -18  8  Of the total result, the following are attributable to  Shareholders of the parent company  1,691  -19,063  Profit attributable to non-controlling interests  -18  8  Earnings per share in EUR  Undiluted  -0.03  -0.35		3,134	-2,742
Financial income  Financial income  Financial expenses  Financial	Depreciation and amortization	4,346	3,897
Financial income  Financial expenses  Financial income  Financial income  Financial income  Financial expenses  Financial expe	Devaluation of non-current crypto assets	0	11,995
Financial expenses  Earnings before taxes (EBT)  Income taxes (expense (+) / income (-))  Profit for the period  Equity difference from currency translation  Total result  The net profit for the period is attributable to Shareholders of the parent company Profit attributable to non-controlling interests  Of the total result, the following are attributable to Shareholders of the parent company Profit attributable to non-controlling interests  -18  8  Earnings per share in EUR Undiluted  521 512 512 512 512 512 619 619 619 619 619 619 619 619 619 619	Operating result (EBIT)	-1,213	-18,634
Earnings before taxes (EBT)  Income taxes (expense (+) / income (-))  Profit for the period  Equity difference from currency translation  Total result  The net profit for the period is attributable to Shareholders of the parent company  Profit attributable to non-controlling interests  Of the total result, the following are attributable to Shareholders of the parent company  Profit attributable to non-controlling interests  1,691  -19,063  Profit attributable to non-controlling interests  -18  8  Earnings per share in EUR  Undiluted  -0.03  -0.35	Financial income	22	10
Income taxes (expense (+) / income (-))  Profit for the period  Equity difference from currency translation  Total result  The net profit for the period is attributable to Shareholders of the parent company  Profit attributable to non-controlling interests  Of the total result, the following are attributable to Shareholders of the parent company  Profit attributable to non-controlling interests  Shareholders of the parent company  Profit attributable to non-controlling interests  1,691  -19,063  Earnings per share in EUR Undiluted  -0.03  -0.35	Financial expenses	521	512
Profit for the period -1,698 -19,055  Equity difference from currency translation -11 0  Total result -1,709 -19,055  The net profit for the period is attributable to Shareholders of the parent company -1,680 -19,063  Profit attributable to non-controlling interests -18 8  Of the total result, the following are attributable to Shareholders of the parent company 1,691 -19,063  Profit attributable to non-controlling interests -18 8  Earnings per share in EUR Undiluted -0.03 -0.35	Earnings before taxes (EBT)	-1,712	-19,137
Equity difference from currency translation  Total result  The net profit for the period is attributable to Shareholders of the parent company Profit attributable to non-controlling interests  Of the total result, the following are attributable to Shareholders of the parent company Profit attributable to non-controlling interests  1,691 Profit attributable to non-controlling interests  Earnings per share in EUR Undiluted  -0.03 -0.35	Income taxes (expense (+) / income (-))	-14	-82
Total result  The net profit for the period is attributable to Shareholders of the parent company Profit attributable to non-controlling interests  Of the total result, the following are attributable to Shareholders of the parent company Profit attributable to non-controlling interests  -18  Shareholders of the parent company Profit attributable to non-controlling interests  -18  Earnings per share in EUR Undiluted  -0.03  -0.35	Profit for the period	-1,698	-19,055
The net profit for the period is attributable to Shareholders of the parent company Profit attributable to non-controlling interests  Of the total result, the following are attributable to Shareholders of the parent company Profit attributable to non-controlling interests  -18 8  Earnings per share in EUR Undiluted  -0.03 -0.35	Equity difference from currency translation	-11	0
Shareholders of the parent company Profit attributable to non-controlling interests  Of the total result, the following are attributable to Shareholders of the parent company Profit attributable to non-controlling interests  -18  8  Earnings per share in EUR Undiluted  -0.03 -0.35	Total result	-1,709	-19,055
Shareholders of the parent company Profit attributable to non-controlling interests  Of the total result, the following are attributable to Shareholders of the parent company Profit attributable to non-controlling interests  -18  8  Earnings per share in EUR Undiluted  -0.03 -0.35	The net profit for the period is attributable to		
Of the total result, the following are attributable to Shareholders of the parent company 1,691 -19,063 Profit attributable to non-controlling interests -18 8  Earnings per share in EUR Undiluted -0.03 -0.35		-1,680	-19,063
Shareholders of the parent company 1,691 -19,063 Profit attributable to non-controlling interests -18 8  Earnings per share in EUR Undiluted -0.03 -0.35	Profit attributable to non-controlling interests	-18	8
Shareholders of the parent company 1,691 -19,063 Profit attributable to non-controlling interests -18 8  Earnings per share in EUR Undiluted -0.03 -0.35	Of the total result, the following are attributable to		
Profit attributable to non-controlling interests -18 8  Earnings per share in EUR  Undiluted -0.03 -0.35	<del>-</del>	1,691	-19,063
Undiluted         -0.03         -0.35			
Undiluted         -0.03         -0.35	Earnings per share in EUR		
Diluted -0.03 -0.35		-0.03	-0.35
	Diluted	-0.03	-0.35





# Consolidated Statement of Changes in Equity

from 1 January to 30 June 2023

	Issued capital	Capital- reserve	Balance sheet result	
	kEUR	kEUR	kEUR	
As at 31.12.2021	54,048	151,943	-41,877	
Profit/loss for the period/total comprehensive income for the period 01.01.2022 - 31.12.2022			-37,033	
As at 31.12.2022	54,048	151,943	-78,910	
Issue of convertible bonds		46		
Profit/loss for the period/total comprehensive income for the period 01.01.2023 - 30.06.2023			-1,680	
As at 30.06.2023	54,048	151,989	-80,590	

Total kEUR	Own shares kEUR	Non-controlling interests kEUR	Equity attributable to shareholders of the parent company kEUR	Currency translation reserve kEUR
163,099	0	-1,007	164,106	
-37,036		-16	-37,020	13
126,063	0	-1,023	127,086	6
46			46	
-1,709		-18	-1,690	-11 _
124,400	0	-1,041	125,442	-5

### **Consolidated Cash Flow Statement**

from January 1 to June 30, 2023

	01.0130.06.2023 kEUR	01.0130.06.2022 kEUR
Cash flow from operating activities		
Earnings before income taxes	-1,712	-19,137
Depreciation, amortization and impairment of fixed assets	4,346	3,897
Financial income and financial expenses	499	502
Other non-cash expenses and income	75	13,947
Interest received	8	0
Cash flow before changes Net working capital	3,216	-791
Increase (+) / decrease (-) in provisions	-1,097	803
Increase (-) / decrease (+) in trade receivables	-318	-68
Increase (-) / decrease (+) in other assets	-5,513	-8,335
Increase (+) / decrease (-) in trade payables and other liabilities	-886	-6,640
Operating cash flow	-4,597	-15,031
Cash flow from investing activities  Payments for investments in intangible assets	-2,076	-13,898
Payments for investments in money market funds	0	26,061
Payments for investments in financial assets	126	-181
Payments for investments in property, plant and equipment	-68	-167
Cash flow from investing activities	-2,018	11,816
Cash flow from financing activities		
Repayment of leasing liabilities	-94	-20
Incoming payments from the raising of		
loans/convertible bonds	7,404	0
Interest paid	-176	-6
Financing cash flow	7,134	-26
Net increase in cash and cash equivalents		
and cash equivalents	519	-3,241
Cash and cash equivalents at the beginning of the period	3,087	8,583
Cash and cash equivalents at the end of the period	3,604	5,342

# Condensed Notes to the Consolidated Financial Statements

as of June 30, 2023



# Condensed Notes to the Consolidated Financial Statements

as of June 30, 2023

### 1. INFORMATION ON THE COMPANY

These unaudited half-year consolidated financial statements are the consolidated financial statements of The Naga Group AG ("Naga AG") and its subsidiaries (together "Group" or "NAGA"). Naga AG has its registered office in Hamburg, Hohe Bleichen 12, Germany (Hamburg Local Court, HRB 136811). As of June 30, 2023, the shares of Naga AG are listed on the Frankfurt Stock Exchange in the open market in the "Basic Board" segment.

The Group's business activities include brokerage with contracts for difference (CFDs) and equities, the development of technologies for the financial sector and the use of blockchain technology.

With effect from June 1, 2023, Mr. Bilski resigned from the Executive Board of Naga AG. However, he continues to work for the Group in a management position.

### 2. RINCIPLES OF THE PREPARATION

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

The requirements of the standards applied were 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 stated, the financial information is rounded to the nearest thousand (kEUR), which may result in rounding differences.

### 3. SCOPE OF CONSOLIDATION

The scope of consolidation did not change in the first half of 2023 compared to the 2022 financial year.

Overview of the scope of consolidation of NAGA as at June 30, 2023

Company	Main business activity	Shareh 30.06. 2023	oldings 31.12. 2022
The Naga Group AG, Hamburg (Holding	Holding of		
company)	investments	-	-
NAGA Markets Ltd., Limassol, Cyprus	Securities trading	100%	100%
Naga Technology GmbH, Hamburg	Software development	100%	100%
Naga Virtual GmbH, Hamburg	Software development	100%	100%
Hanseatic Broker- house Securities AG (HBS), Hamburg	Holding of investments	72.16%	72.16%
Naga Global Ltd., Saint Vincent & Grenadines	Securities trading	100%	100%
NAGA GLOBAL (CY) LTD., Limassol, Cyprus	Internal services	100%	100%
NAGA Global West Africa LTD., Lagos, Nigeria	Sales company	99%	99%
NAGA FINTECH CO., LTD., Bangkok, Thailand	Sales company	100%	100%
Naga Pay GmbH, Hamburg	Mobile Bank	100%	100%
NAGA Markets Australia PTY	Salaa		
Ltd, Eastwood, Australia	Sales company	100%	100%
NAGA Pay UK LTD., London, United Kingdom	Sales company	100%	100%
	company	10070	100/0

Main	<b>Shareholdings</b>	
business activity	30.06. 2023	31.12. 2022
Internal		
services	100%	100%
Trading with		
crypto-		
currencies	100%	100%
Trading with		
crypto-		
currencies	100%	100%
Securities		
trading	100%	100%
	Internal services Trading with crypto-currencies Trading with crypto-currencies Securities	Internal services 100% Trading with crypto-currencies 100% Trading with crypto-currencies 100% Securities

With the exception of NAGA Pay UK LTD., NAGA Markets Australia PTY Ltd. and NAGA FINTECH Co., LTD., the functional currency of the subsidiaries is EUR. The functional currency of NAGA Pay UK LTD. is GBP, of NAGA Markets Australia PTX Ltd. AUD and of NAGA FINTECH Co., LTD THB. Due to the minor importance of the three companies, no further information is provided on the currencies.

The shareholding corresponds to the voting rights quota.

## 4. ESTIMATES AND ASSUMPTIONS AS WELL AS ACCOUNTING AND VALUATION METHODS

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

The accounting and valuation methods applied in these interim consolidated financial statements largely correspond to those used in the last consolidated annual financial statements. A detailed description of the accounting policies can be found in the notes to the consolidated financial statements.

### a) Impairment losses

At each reporting date, property, plant and equipment and intangible assets are reviewed to determine whether there are any indications of impairment.





Intangible assets with an indefinite useful life or intangible assets not yet in use are tested for impairment at least once a year and also when there are indications of impairment ("triggering event"). However, there were no such indications in the first half of 2023.

### 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. If the final tax burden differs from the recognized liabilities, these differences affect the current and deferred income taxes. The Group uses external service providers to determine its income tax burden.

### c) Relationships with related parties

In the first half of 2023, the Group did not enter into any business relationships with related parties that go beyond those existing as at December 31, 2022 (see section 12. of the notes to the consolidated financial statements as at December 31, 2022).

### d) Other estimation uncertainties

In addition, significant assumptions and estimates relate to the Group-wide determination of useful lives, the capitalization of customer acquisition costs, the allocation of crypto assets and the determination of recoverable amounts for 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 significant changes to the assumptions and estimates.

### e) Financial instruments

Financial assets and liabilities are recognized if the Group has a contractual right to receive cash or other 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 contractual party to the financial instrument. Financial assets that are acquired or sold on an arm's length basis are generally recognized on the trade date.

With regard to financial instruments and financial risk management, there are no differences to the previous consolidated financial statements, which were explained in section 9.

### 5. NOTES TO INDIVIDUAL ITEMS OF THE CONSOLIDATED INTERIM BALANCE SHEET

### a) Intangible assets

Purchased software, licenses and industrial property rights are recognised 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. By the end of the first half of 2022, NAGA had acquired a significant number of NAGA Coin (NGC), which are recognized as intangible assets if the NGC were acquired with the intention to invest. They are not subject to amortization.

Development costs of kEUR 1,313 (previous year: kEUR 3,913) were capitalized in the first half of 2023 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 expense is capitalized or expensed is made by the Management Board on the basis of submitted activity reports. Due to the user-related development of software applications, expenses for programming services, maintenance work and bug fixing in the amount of kEUR 1,423 (previous year: kEUR 4,456) were recognized as expenses in the statement of comprehensive income in the first half of 2023.

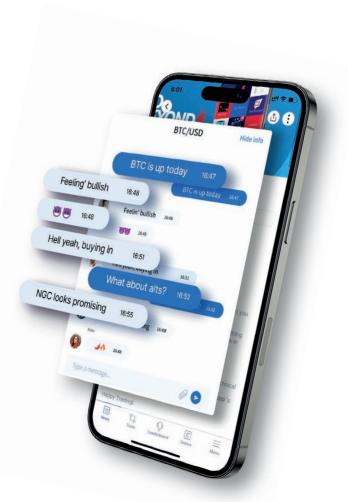
In addition, expenses for acquiring new customers amounting to kEUR 871 (previous year adjusted: kEUR 1,429) were capitalized in the first half of 2023.

In the first half of 2023, impairment losses of kEUR 0 (previous year: kEUR 11,995) were recognized on the NGC held for investment purposes. The carrying amount of these NGCs as at June 30, 2023 was kEUR 0 (previous year: kEUR 3,329).

The goodwill of the cash-generating unit ("CGU") Brokerage is subject to an annual impairment test, on the basis of which the recoverability of the goodwill was reviewed and confirmed as part of the preparation of the consolidated financial statements for the previous financial year. The Group's three-year business plan served as the basis. The method and assumptions are explained in Note 4. a) in the notes to the consolidated financial statements for 2022. There are no indications that goodwill has been impaired in the meantime.

### b) Trade receivables

Trade receivables are carried at nominal value and amounted to kEUR 427 as at June 30, 2023 (previous year: kEUR 184).



### c) Other current assets

Other current assets amounting to kEUR 15,726 (previous year: kEUR 14,579) are made up as follows:

in kEUR	30.06. 2023	31.12. 2022	Change
Crypto assets	501	2,320	-1,819
Receivables			
from customers	11,804	8,045	3,759
Accrued			
expenses	219	359	-140
Overpayment	1,138	1,138	0
Sales tax			
receivable	633	940	-307
Merchandise	315	319	-4
Credit balance with PayPal, Kraken account			
and credit card	313	54	259
Short-term loans	14	20	-6
Deposit	34	0	34
Other receivables	755	1,384	-629
Total	15,726	14,579	1,147

### d) Cash and cash equivalents

Cash and cash equivalents consist exclusively of bank balances callable at short notice amounting to kEUR 3,604 (previous year: kEUR 3,087).

The amounts of cash and cash equivalents received in the cash flow statement correspond to the corresponding items in the balance sheet. Funds amounting to kEUR 1,474 (previous year: kEUR 2,168) are held with liquidity providers.

### e) Trade accounts payable

Trade payables amount to kEUR 2,044 (previous year: kEUR 3,241) and have a maximum term of one year.

### f) Other current liabilities

Other current liabilities amount to kEUR 23,280 (previous year: kEUR 15,079) and mainly include customer deposits, liabilities from convertible bonds, VAT liabilities and liabilities from wages and salaries.



The increase is due in particular to the issue of a convertible bond on April 28, 2023 in the amount of kUSD 8,200. The convertible bond has a term until October 30, 2023 and bears interest at 11% p.a. In connection with the issue, the conversion right was valued at kEUR 46 and added directly to the capital reserve.

### g) Equity/Dividends

As at June 30, 2023, the subscribed capital ("share capital") amounted to EUR 54,047,924 (previous year: EUR 54,047,924) and is divided into 54,047,927 (previous year: 54,047,924) no-par value registered shares. There are no special preferential rights for certain shares.

### **Authorized capital**

By resolution of the Annual General Meeting on 16 December 2022, the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital of Naga AG in the period up to 15 December 2027 on one or more occasions by a total of up to EUR 27,023,962.00 by issuing up to 27,023,962 new no-par value registered shares against cash and/or non-cash contributions, whereby subscription rights may be excluded (Authorized Capital 2022).

As at June 30, 2023, Naga AG had not utilized the authorized capital.

### **Conditional capital**

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

As of June 30, 2023, Naga AG has utilized the conditional capital in the amount of EUR 3,569,781.00.

The share capital of Naga AG is also conditionally increased by resolution of the Annual General Meeting on October 11, 2021 by up to EUR 12,390,817 .00 for the implementation of 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 12,390,817 no-par value registered shares (Conditional Capital 2021).

As at June 30, 2023, Naga AG had not utilized the conditional capital 2021.

### Own shares

As at June 30, 2023, the Group had no treasury shares.

### **Dividends**

No dividend payment to shareholders is expected to be resolved or made for the 2023 financial year.

### h) Leasing

The Group makes use of the exemption 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 concluded a lease agreement for the office premises with a term of one year. In accordance with IFRS 16, a right-of-use asset is capitalized and depreciated on a straight-line basis.

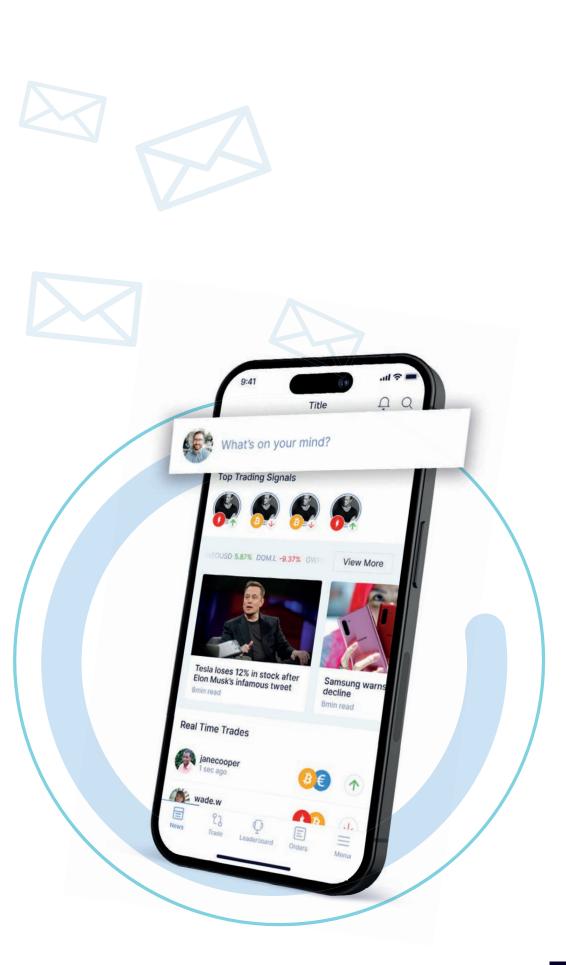
### 6. EVENTS AFTER THE BALANCE SHEET DATE

On October 24, 2023, an amendment to the terms and conditions of the convertible bond issued on April 28, 2023 was agreed with the holder. The adjusted bond terms provide for the partial repayment of kUSD 5,543 plus accrued interest of kUSD 457 at maturity on October 30, 2023, as well as the repayment of the remaining amount of approximately USD 2.7 million plus

accrued interest on January 30, 2024. The holder of the convertible bond will not exercise his conversion right, so that there will be no dilution for the shareholders.

For the partial repayment, the company has taken out a loan without conversion rights from an institutional investor with a term of 12 months.

There were no other significant events after the balance sheet date.



# Interim Management Report as of June 30, 2023

### **Interim Management Report**

as of 30 June 2023

### **BASICS OF THE PRESENTATION**

This 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 content and disclosures relate to the reporting date of June 30, 2023.

### FORWARD-LOOKING STATEMENTS

This half-year Group management report may contain forward-looking statements and information that 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 and certain assumptions prevailing at the time of preparation and may involve a number of risks and uncertainties. The results actually achieved by NAGA may differ materially from those contained in the forward-looking statements. NAGA assumes no obligation to update these forward-looking statements or to correct them in the event of developments that differ from those anticipated.

### NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

NAGA generated positive EBITDA of kEUR 3,134 in the first half of 2023 (previous year: kEUR -2,742). Despite the significant reduction in marketing and advertising expenses, the result for the period in the first half of 2023 was negative at kEUR -1,698 (previous year: kEUR -19,055) due to the decline in revenue. The first half of 2022 was significantly negatively impacted by the devaluation of crypto assets totaling kEUR 13,947.

While the number of transactions rose to 4.9 million in the first half of 2023, the trading volume remained unchanged year-on-year at around EUR 69 billion (previous year: 4.2 million real money trades with a trading volume of EUR 69 billion).

NAGA managed client assets of EUR 36 million as at June 30, 2023 (previous year: EUR 34 million).

The number of active customers rose from 19,233 as at December 31, 2022 to 21,035 as at June 30, 2023. This corresponds to an increase of 1,802 active customers or 9.4% in the reporting period.

### a) Earnings position of the Group

Gross income fell significantly as a result of lower trading income and increased direct expenses from trading income. Direct trading revenue expenses increased due to the higher trading volume in crypto ssets compared to the first half of 2022. As marketing and advertising expenses were significantly reduced in the first half of 2023 and no further writedowns on crypto assets had to be made, the result for the period improved significantly, but is still negative, mainly due to amortization of intangible assets (see below).

### **Trading Revenue**

Sales revenue amounted to kEUR 25,260 (previous year: kEUR 35,018). Of this amount, kEUR 19,083 is attributable to the brokerage business, of which 74% (previous year: 55%) is attributable to Naga Markets and 26% (previous year: 45%) to Naga Global. Revenue of kEUR 5,501 (previous year: kEUR 1,253) is attributable to trading in crypto assets. The sharp decline in trading revenue was primarily due to the change in marketing strategy compared to the same period of the previous year, which is no longer geared towards increasing revenue but towards profitability.

### **Activated programming services**

The capitalized programming services amount to kEUR 1,313 (previous year: kEUR 3,913) and are mainly attributable to the Naga Trader application.

### Personnel expenses

As a result of the reduction in the number of employees, personnel expenses fell from kEUR 5,536 to kEUR 3,518.



### Other operating expenses

Other operating expenses amounting to kEUR 4,940 (previous year: kEUR 5,303) break down as follows:

in kEUR	01.0130.06. 2023	01.0130.06. 2022
Legal and		
consulting costs	962	2,577
Rental and		
license expenses	680	704
Web services	705	843
External services	448	0
Travel expenses	364	181
Other expenses	1,782	998
Total	4,940	5,303

Rental expenses relate to leases expiring in the short term, which do not have to be recognized in the balance sheet in accordance with IFRS 16.

### **Amortization**

The amortization of kEUR 4,346 (previous year: kEUR 3,897) mainly relates to capitalized customer acquisition costs of kEUR 1,621, Swipy technology of kEUR 635, Naga Trader of kEUR 1,711 and the acquired customer base of HBS of kEUR 44. In addition, amortization of rights of use in accordance with IFRS 16 in the amount of kEUR 77 (previous year: kEUR 38) was incurred.

### **EBITDA** development

Despite the decline in sales, EBITDA increased compared to the same period last year. This is due to lower marketing and advertising expenses. In contrast to the same period of the previous year, no crypto assets held for trading were written down (previous year: kEUR 1,951). In addition, personnel expenses were lower due to the reduction in the number of employees.

### Profit for the period

The result for the period amounted to kEUR -1,698 (previous year: kEUR -19,055). The result for the period in the comparative period was significantly negatively impacted by write-downs of crypto assets held for investment purposes in the amount of kEUR 11,995.

### b) Financial position of the Group

The subscribed capital did not change in the first half of 2023. The capital reserve increased by kEUR 46 due to the issue of the convertible bond.

The Group's capital structure is as follows:

in %	30.06. 2023	31.12. 2022	Change
Equity ratio	82,3	85,8	-3,5
Debt ratio	17,7	14,2	3,5
Debt-equity ratio	21,5	16,5	5,0

The Group's cash flows developed as follows in the first half of 2023

in kEUR	30.06.2023	30.06.2022
Cash flow from		
operating activities	-4,597	-15,031
Cash flow from		
investing activities	-2,018	11,816
Cash flow from		
financing activities	7,134	-26
Cash and		
cash equivalents		
at the beginning		
of the period	3,087	8,583
Cash and		
cash equivalents		
at the end		
of the period	3,604	5,342

Cash and cash equivalents increased by kEUR 517 to kEUR 3,604 in the first half of 2023.

Cash and cash equivalents at the reporting date eveloped as follows:

in TEUR	30.06. 2023	31.12. 2022	Verän- derung
Cash and cash			
equivalents	3,604	3,087	517
less current			
liabilities	26,759	20,825	5,934
Subtotal	-23,155	-17,738	-5,417
plus current assets	34,575	28,819	5,756
Overfunding /			
underfunding	11,420	11,081	339

As at the reporting date, current liabilities of kEUR 11,420 (previous year: kEUR 11,081) were covered by current assets and cash and cash equivalents.

The following table shows the coverage ratio of medium and long-term assets to medium and long-term capital:

in kEUR	30.06. 2023	31.12. 2022	Change
Equity	124,400	126,063	-1,663
plus medium and long-term liabilities	0	14	-14
less medium and long-term assets	112,980	114,997	2,017
Overfunding / underfunding	11,420	11,080	340

110% of the medium and long-term assets are covered by equity.

### c) Financial position of the Group

NAGA's net assets developed as follows in the first half of 2023:

in kEUR	30.06. 2023	31.12. 2022	Change
Assets	151,159	146,903	4,256
Non-current			
assets	112,980	114,997	-2,017
Current assets	38,179	31,906	6,273
Liabilities	151,159	146,903	4,256
Equity	124,400	126,063	-1,663
Non-current			
liabilities	0	14	-14
Current			
liabilities	26,757	20,825	5,932

The slight decline in non-current assets despite further high capitalizable investments in intangible assets is due to scheduled amortization.

The increase in current assets is mainly attributable to derivatives.

Current assets amounting to kEUR 38,179 (previous year: kEUR 31,906) include receivables from customers of kEUR 11,804 (previous

year: kEUR 8,045), trade receivables of kEUR 427 (previous year: kEUR 184), cash and cash equivalents of kEUR 3,604 (previous year: kEUR 3,087) and receivables from derivatives of kEUR 18,421 (previous year: kEUR 14,057).

As at June 30, 2023, current liabilities mainly include customer deposits of kEUR 11,340 (previous year: kEUR 10,361), trade payables of kEUR 2,044 (previous year: kEUR 3,241) and provisions of kEUR 979 (previous year: kEUR 2,076). In addition, a convertible bond was issued on 28 April 2023, which is recognized under other current liabilities with a carrying amount including accrued interest of kEUR 7,667.

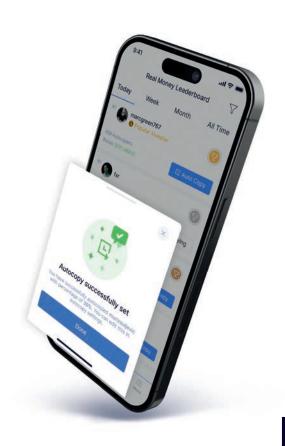
### FORECAST, OPPORTUNITY AND RISK REPORT

### a) Forecast report

For the 2023 financial year, NAGA is sticking to the forecast made in the management report for the 2022 financial year, according to which the Executive Board expects significantly lower sales revenue compared to the previous year and a sharp rise in positive EBITDA.

### b) Opportunity and risk report

With regard to opportunities and risks, there have been no changes compared to the presentation in the previous 2022 Annual Report.





### **BODIES OF THE COMPANY**

### **Board members**

The members of the Executive Board were or are

- Mr. Andreas Luecke, Hamburg, lawyer/tax consultant
- Michalis Mylonas, Cyprus, Managing Director

### **Supervisory Boards**

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

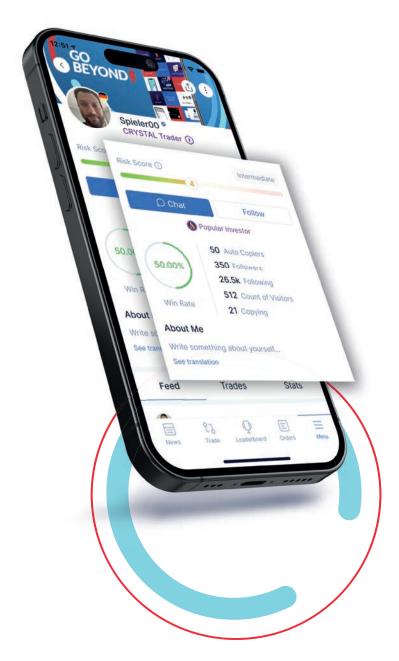
- Harald Patt, Friedrichsdorf, Managing Director, (Chairman)
- Mr. Qiang Liu, Shanghai (China), Managing Director (Deputy Chairman)
- Mr. Richard Byworth, Zug (Switzerland), Managing Partner

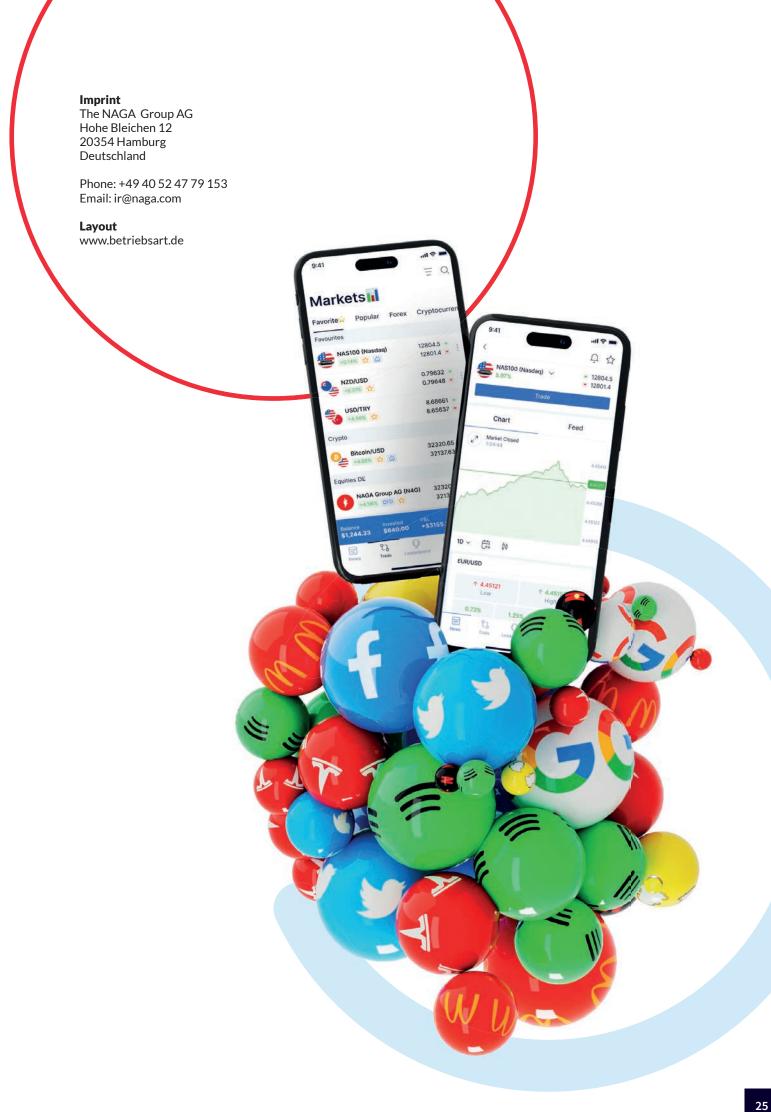
Hamburg, December 10, 2023

Andreas Luecke

Michalis Mylonas

The NAGA Group AG - Management Board -







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