

CONSOLIDATED HALF-YEAR REPORT

as of June 30, 2021

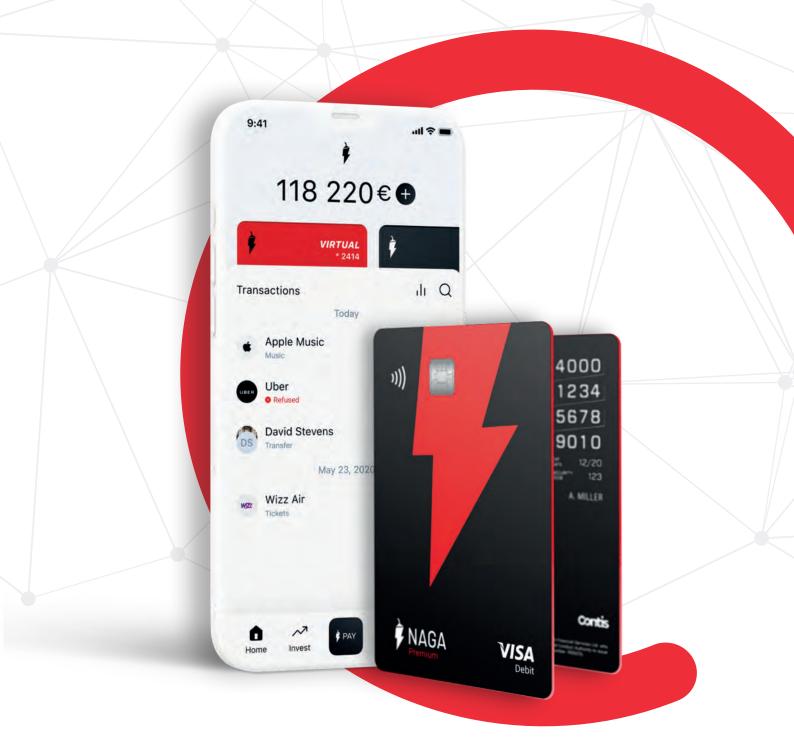




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Foreword by the Management Board

Dear Shareholders, dear friends and supporters of NAGA,

NAGA is growing successfully and sustainably: We have now delivered new record figures for the eleventh quarter in a row. In the first nine months of the current fiscal year, both our consolidated revenues and consolidated EBITDA more than doubled. Our consolidated revenues grew by a strong 157% to around EUR 18 million (Q3 2020: EUR 7 million) and our consolidated EBITDA expanded by 125% to EUR 5.8 million (Q3 2021: EUR 2 million). As of September 30, 2021, NAGA is fully on track to achieve its annual targets, according to preliminary figures, with revenues of around EUR 40.5 million and EBITDA of around EUR 8.6 million.

Revenue from trading in cryptocurrencies grew particularly strongly, increasing more than seven-fold year-on-year in the first nine months of 2021 and already accounting for 15 % of total revenue. Going forward, we clearly see the strongest proportional growth potential in this area as well. It is also worth highlighting that all of our key KPIs have shown a growth rate of at least 100% this year. With 218,000 new users so far in the first three quarters of 2021, we have now cracked the 1 million registered accounts mark. Our unique growth catalyst, NAGA Autocopy, which generates 55% of our revenues, is showing 400% yoy growth as of September 30, 2021.

New partnerships and record growth capital accelerate expansion

In September 2021, we successfully closed the largest equity financing round in our company's history to date, securing EUR 22.7 million in growth capital. We have attracted renowned strategic and long-term investors in Christian Angermayer's Apeiron Investment Group in partnership with Peter Thiel's Founders Fund and Igor Lychagov, founder of Exness (one of the world's largest brokerage firms with a monthly trading volume of USD 1 trillion). The partnership with Apeiron and their Elevat3 strategy is a new milestone for us and we are also pleased to have Mr. Angermayer as a

new member of the Supervisory Board.

With this growth capital and our new partnerships, we are directing our focus even more strongly on the expansion of our growth strategy and the further expansion of NAGA. The keys to this are market penetration and user growth.

To achieve this, we will on the one hand further accelerate our marketing activities and invest in our direct marketing and branding. For example, we have also become the proud main sponsor of the Spanish first division club and Champions League participant Sevilla FC. For the full year 2021, spending on marketing activities will amount to around EUR 22 million (2020: EUR 7 million). We now have a dynamic marketing model for 14 different markets and run daily reconfigured ad campaigns as part of our NAGA Autocopy sales strategy.

The next geographic expansion steps will be in Australia, South Africa and the United Arab Emirates, where we will acquire brokerage licenses and set up distribution structures. Our geographic expansion is also reflected in a strong increase in headcount to almost 300 employees.

In addition to direct marketing, branding and geographical expansion, the focus in the coming years will be on strategic partnerships in order to further strengthen our market position in the long term.

Launch of NAGA Pay in the fourth quarter of 2021

As a significant addition to our product range, the launch of our payment app NAGA Pay is scheduled for the fourth quarter of 2021. NAGA Pay will be an absolute growth catalyst for the NAGA Group and will further strengthen our growth speed.

The NAGA Pay payment platform offers a fully digital account opening process and is offered as either a standard free or premium solution. It combines an IBAN account, a Visa debit card, a share deposit account, copy trading and physical crypto wallets. At launch, 100,000 globally recognized Visa debit cards are available.

The NAGA Pay and Visa card enables multiple payment sources to be used at the point of sale using "Buffer" technology. This instantly funds transactions in real time with the value of users' available assets on the Naga platform. For example,

customers can pay directly from a deposit account instead of using the balance on their card. With the crypto wallet, cryptocurrencies can be held, sent and received securely. In the future, it will therefore also be possible to choose cryptocurrencies such as Bitcoin or Ethereum as a means of payment using real-time exchanges.

As part of our growth strategy in the crypto business, we aim to license our cryptocurrency division in key target markets.

Group revenues expected to double to EUR 50 million to EUR 52 million in 2021 – substantial increase in Group EBITDA to EUR 13 million to EUR 15 million targeted

In view of the excellent business and company development in the third quarter of 2021, we are on track to meet our ambitious annual forecast published at the beginning of 2021. We will significantly increase our consolidated revenues to up to EUR 52 million – this represents more than a doubling compared to the previous year (2020: 24.4 million). We are also planning strong growth in Group EBITDA to up to EUR 15 million (2020: EUR 6.6 million).

Thank you for having placed your trust in us!

Not only is NAGA one of the fastest growing neo-brokers in the world, we are also proud to be the top rated neo-broker (according to certified ratings on trustpilot.com). Our unique combination of social media, investments, cryptocurrencies and payments on one platform convinces the most diverse customer groups while maintaining a high average trading activity.

The continuation of our success story in 2021 was also reflected in an increased price level of our share with strong trading volumes at the same time. We would like to thank you for the trust you have placed in us and look forward to continuing our growth path together with you.

With kind regards

The Board of Directors

Benjamin Bilski

Andreas Luecke

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Michalis Mylonas

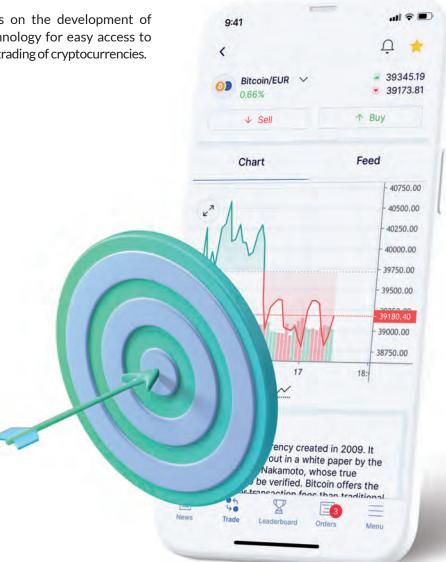


Object of the Company

NAGA is a German fintech company based in Hamburg and listed on the "Scale" stock exchange segment. The core business of the Group is online brokerage. In addition to traditional trading, NAGA also offers its own social trading platform "Naga Trader". Through the investments in the subsidiaries, further business models arise at the level of the Group, which are based on the development of innovative financial technology ("Fintech") and blockchain technology.

The overriding 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 provides trading platforms for CFDs, Forex, commodities, ETFs and stock indices as a pure online broker.

The Group also focuses 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, 2021

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Half-Year Consolidated Balance Sheet

as of June 30, 2021

	30.06.2021 kEUR	31.12.2020 kEUR
SETS		
Non-current assets		
Intangible assets	116,226	112,268
Property, plant and equipment	576	509
Rights of use	95	41
Financial assets and other assets	154	146
Deferred tax assets	530	533
Total non-current assets	117,580	113,497
Current assets		
Contract assets	0	399
Trade receivables	1,535	1,536
Other current assets	3,047	2,094
Tax receivables	59	59
Receivables from derivatives	11,167	7,017
Cash and cash equivalents	5,683	5,233
Total current assets	21,490	16,338
Total assets	139,070	129,834

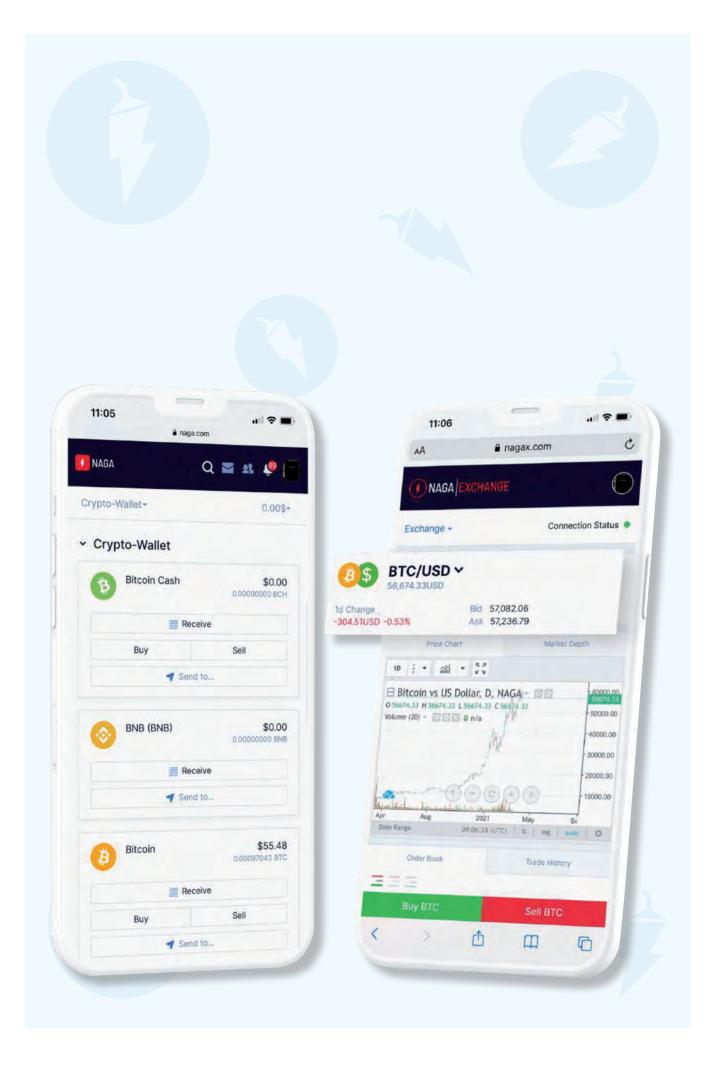
	30.06.2021 kEUR	31.12.2020 kEUR
BILITIES		
Equity		
Share capital	42,224	42,050
Capital reserve	101,451	100,632
Balance sheet result	-25,490	-24,970
Equity difference from currency conversion	-12	0
Equity attributable to shareholders of		
the parent company	118,173	117,712
Non-controlling interests	-385	-383
Own shares	-5,526	-5,526
Total equity	112,262	111,802
Non-current liabilities		
Liabilities to shareholders and members of the Board of Management	549	549
Liabilities from convertible loans to		
shareholders	0	1,933
Deferred tax liabilities	1,501	1,159
Total non-current liabilities	2,051	3,641
Current liabilities		
Trade accounts payable	2,007	1,044
Liabilities to shareholders	5,128	3,080
Other current liabilities	15,796	8,194
Leasing liabilities	0	4
Liabilities from derivatives	1,293	1,202
Accrued taxes	18	7
Other accrued liabilities	514	860
Total current liabilities	24,757	14,390
Total liabilities	26,807	18,031



Consolidated Statement of Comprehensive Income

from January 1 to June 30, 2020

	01.01 30.06.2021 kEUR	01.01 30.06.2020 kEUR
Trading revenues	23,219	12,863
Service revenues	0	59
Sales revenue	23,219	12,923
Capitalized programming services	1,243	410
Total output	24,461	13,333
Direct expenses of trading revenues	1,968	1,488
Trading expenses	962	1,250
Gross income	21,531	10,595
Other operating income	20	462
Development expenses	1,526	548
Personnel expenses	3,371	1,678
Marketing and advertising expenses	10,745	2,881
Other operating expenses	2,947	2,081
Earnings before interest, taxes, depreciation and amortization (EBITDA)	2,962	3,870
Depreciation	2,680	1,414
Operating result (EBIT)	281	2,456
Financial income	1	-11
Financial expenses	458	252
Earnings before taxes (EBT)	-176	2,192
Income taxes (expense (+) / income (-))	345	-227
Result for the period	-522	2,419
Equity difference from currency conversion	-12	0
Overall result	-534	2,419
Of the net profit for the period, the following are attributable to		
Shareholders of the parent company	-520	2,659
Profit attributable to non-controlling interests	-1	-240
Of the total comprehensive income the following are attributable to		
Shareholders of the parent company	-532	2,659
Profit attributable to non-controlling interests	-1	-240 Earnings per
Earnings per share in EUR		
Undiluted	0.03	-0.31
Diluted	0.03	-0.31



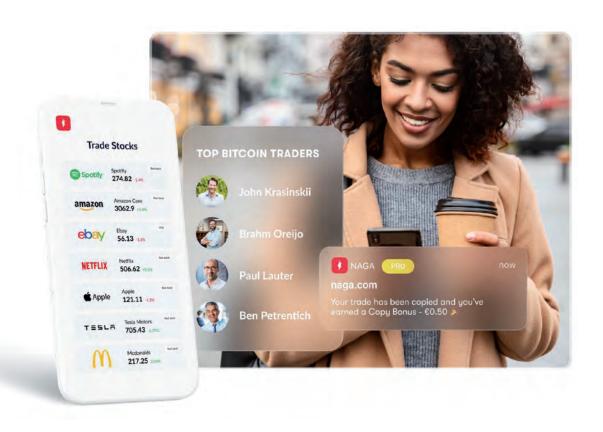


Consolidated Statement of Changes in Equity

from December 31, 2019 to June 30, 2021

	Subscribed Capital	Capital reserve	Balance sheet result	
	kEUR	kEUR	kEUR	
Status as of 31.12.2019	40,204	97,993	-26,227	
Capital increase	1,846	2,500	0	
Issue of convertible bond	0	139	0	
Profit for the period/total comprehensive income				
for the period 01.01.2020 -31.12.2020		0	1,257	
Status as of 31.12.2020	42,050	100,632	-24,970	
Conversions of the corporate convertible bond 2020/2021	174	820	0	
Profit for the period/total comprehensive income for				-
the period 01.01.2021 - 30.06.2021	0	0	-636	
Status as of 30.06.2021	42,224	101,452	-26,490	

Total kEUR	Own share kEUR	Shares of non Controlling Shareholders kEUR	Equity attributable to shareholders of the parent company kEUR	Equity difference from currency translation kEUR
105,293	-5,525	-1,147	111,969	0
4,346	0	0	4,346	0
139	0	0	139	0
2,021	0	764	1,257	0
111,802	-5,525	-383	117,712	0
994	0	0	994	0
-533	0	-1	-532	12
112,266	-5,525	-384	118,173	





Consolidated Cash Flow Statement

from January 1 to June 30, 2021

	01.0130.06.2021 kEUR	01.0130.06.2020 kEUR
Cash flow from operating activities		
Earnings before income taxes	-176	2,192
Depreciation, amortization and impairment		
of non-current assets	2,680	1,414
Financial income and financial expenses	458	241
Taxes	0	-227
Income from disposals	0	-58
Other non-cash income and expenses	0	146
	2,962	3,708
Cash flow before changes in net working capital		
Decrease in provisions	-346	-122
Increase (-) / decrease (+) in		
in trade accounts receivable	0	-348
Increase (-) / decrease (+) in other assets	-4,703	-2,157
Increase (+) / decrease (-) in trade accounts payable		
and other liabilities and other liabilities	2,411	-1,312
Operating cash flow	325	-232
Cash flow from investing activities		
Proceeds from the disposal of subsidiaries		
net of cash disposed of	0	62
Proceeds from disposals of financial assets	2	33
Cash outflows for investments		
in intangible assets	-6,513	-505
Cash outflows for investments in financial assets	-10	0
Cash outflows for investments in property, plant		
and equipment	-132	-162
Investing cash flow	-6,653	-573
Cash flow from financing activities		
Repayment of financial liabilities	-120	0
Cash inflows from borrowings/convertible bonds	7,145	2,000
interest paid	-248	-138
Financing cash flow	6,778	1,862
Net increase in cash and cash equivalents	449	1,057
Cash and cash equivalents at the beginning of the period	5,233	3,152
Cash and cash equivalents at the end of the period	5,683	4,209

Condensed Notes to the Consolidated Financial Statements as of June 30, 2021



Condensed Notes to the Consolidated Financial Statements

as of June 30, 2021

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). The shares of Naga AG are listed on the Frankfurt Stock Exchange in the over-the-counter market (Open Market) in the "Scale" segment.

The group's business consists of brokerage of contracts for difference ("CFD") and equities, development of technology for the financial sector and the use of blockchain technology.

The first half of 2021 was very successful for NAGA. The growth course embarked upon in the 2020 financial year was continued in the first half of the 2021 financial year

2. FUNDAMENTALS OF THE SET-UP

The interim consolidated financial statements comply with 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 satisfy 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 conveyed. The interim consolidated financial statements of NAGA were prepared under the going concern assumption.

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

3. SCOPE OF CONSOLIDATION

The scope of consolidation has changed in the first half of 2021 compared to the 2020 financial year in that Naga Pay UK Ltd. and Naga Markets Australia Pty Ltd. have been added to the scope of consolidation. Both companies are not yet operational and therefore only have a minor impact on the financial position and performance of the Group.

Overview of the scope of consolidation of NAGA as of 30 June 2021

Company	Main business activity	Share 30.06. 2021	eholding 31.12. 2020
The Naga Group AG,			
Hamburg (Parent	Holding of		
company)	participations	; -	-
NAGA Markets			
Europe Ltd.,	Securities		
Limassol, Cyprus	trading	100 %	100 %
Naga Technology			
GmbH, Hamburg,	Software	100 %	100 %
Germany	development		
Naga Virtual GmbH,	Software		
Hamburg, Germany	development	100 %	100 %
Hanseatic			
Brokerhouse			
Securities AG			
(HBS), Hamburg	Sales		
Germany	company 7	2.16 %	72.16 %
Naga Global LLC.,			
Sankt Vincent &	Securities		
Grenadines	trading	100 %	100 %
NAGA GLOBAL			
(CY) LTD.,	Internal		
Limassol, Cyprus	services	100 %	100 %
NG Global West			
Africa Limited,	Sales		
Lagos, Nigeria	company	99 %	99 %
NAGA FINTECH			
CO., LTD., Bangkok,	Sales		
Thailand	company	100 %	100 %
Naga Pay GmbH,			
Hamburg, Germany	mobile bank	100 %	100 %

Company	Main business activity		holding 31.12. 2020
Naga Pay UK Ltd., London, United Kingdom	mobile bank	100 %	_
Naga Markets Australia Pty Ltd.,	THOSHE SUIK	100 70	
Eastwood, Australien	Securities trading	100%	-

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

The Management Board uses assumptions and estimates in the preparation of 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 Group's net assets, financial position and results of operations. Actual results and developments may differ from these estimates and assumptions.

The accounting policies applied in these interim consolidated financial statements are largely the same as those applied in the last annual consolidated financial statements. A detailed description of the accounting policies is provided in the notes to the consolidated financial statements.

As in the 2020 consolidated financial statements, the statement of comprehensive income has been adjusted to show "Trading costs" separately. In addition, a new interim result "Gross profit" was added. Both adjustments – with no effect on the result for the period – were made retrospectively for the first half of 2020. As a result of the adjustment, revenues increased by kEUR 1,250 in the first half of 2020.

a) Impairments

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

Intangible assets with indefinite useful lives or intangible assets not yet in use are tested for impairment at least annually and additionally if there are indications of impairment ("triggering event"). However, there were no such indications in the first half of 2021.

b) Income taxes

Significant assumptions and estimates are necessary to determine the 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 recorded liability, these differences affect 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 2021, the Group did not enter into any business relationships with related parties of a type and scope that exceeded those existing as at 31 December 2020 (see section 12. of the notes to the consolidated financial statements as at 31 December 2020).

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 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 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 party to the contractual provisions of 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 compared to the previous consolidated financial statements, which were explained there under item 9.



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

a) Intangible assets

Purchased software, licenses and industrial property rights are recognized 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 fiscal year. These assets are reviewed for impairment whenever there is an indication that they may be impaired.

Development costs of kEUR 1,243 (previous year: kEUR 410) 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 expense is capitalized or expensed is made by the Management Board on the basis of submitted activity statements. Due to the user-oriented development of software applications, expenses for programming services, maintenance work and bug fixing were recognized as an expense in the statement of comprehensive income in the amount of kEUR 1,526 (prior year: kEUR 548) in the first half of 2021.

In addition, expenses for the acquisition of new customers in the amount of kEUR 5,049 (previous year kEUR 0) were capitalized in the first half of 2021.

The recoverability of the goodwill of the Brokerage cash-generating unit ("CGU") was tested and confirmed using an impairment test as part of the preparation of the consolidated financial statements for the previous fiscal year. This was based on the Group's three-year business plan. There is no evidence to suggest that goodwill has been impaired in the meantime.

Goodwill is subject to an annual impairment test. The method and assumptions are explained in Note 4. a) to the consolidated financial statements 2020.

b) Trade receivables

Trade receivables are recognized at nominal value and amount to kEUR 1,535 (prior year: kEUR 1,811) as of June 30, 2021. Thereof,

kEUR 1,446 (prior year: kEUR 1,467) are trade receivables from Naga Development Association Ltd, Belize City/Belize, ("NDAL"), with whom NAGA conducted an Initial Token Sale in 2017.

c) Other current assets

Other current assets amounting to kEUR 3,047 (previous year kEUR 2,094) are composed as follows:

in kEUR	30.06. 2021	31.12. 2020	Change
Overpayment	1,030	846	184
Sales tax receivable	636	505	131
Deferred expenses	670	444	226
Short-term loans	281	142	139
Paypal, Kraken account and credit			
card balances	107	89	18
Deposit	0	58	-58
Other	323	10	313
Total	3,047	2,094	953

d) Cash and cash equivalents

Cash and cash equivalents consist exclusively of bank balances of kEUR 5,683 (previous year: kEUR 5,233) that can be terminated at short notice.

The amounts of cash and cash equivalents received in the cash flow statement correspond to the corresponding item in the balance sheet. Cash and cash equivalents of kEUR 5,302 (previous year: kEUR 4,455) are deposited with liquidity providers.

e) Trade payables

Trade payables amount to kEUR 2,007 (previous year kEUR 1,044) and have a maximum term of one year.

f) Other current liabilities

Other current liabilities amount to kEUR 15,796 (previous year: kEUR 8,194) and mainly include customer deposits, VAT liabilities and wage and salary liabilities. In addition, the corporate convertible bond 2021/2022 with a carrying amount of kEUR 6,305 is included. On the issue date, March 15, 2021, the corporate convertible bond had a total nominal amount of kEUR 8,000 and is due on March 16, 2022. On May 25, 2021, the

Management Board decided to exercise the new issue option contained in the bond terms and conditions for the convertible bonds with a nominal value of kEUR 7,400 that were still outstanding at that time. As a result of the exercise of the new issue option, the minimum conversion price of the corporate convertible bond was adjusted in particular.

g) Equity/dividends

As of June 30, 2021, the subscribed capital ("share capital") amounts to EUR 42,223,945 (PY: EUR 42,049,903) and is divided into 42,223,945 (PY: 42,049,903) no-par value registered shares. There are no special preferential rights for certain shares. The increase is due to conversions of the 2021/2022 corporate convertible bond issued in 2021.

Authorized capital

The authorized capital 2018 was cancelled. By resolution of the Annual General Meeting on 25 September 2020, the Executive Board is authorised, with the approval of the Supervisory Board, to increase the share capital of Naga AG in the period up to 24 September 2025 once or several times by a total of up to EUR 21,024,951.00 by issuing up to 21,024,951 new registered no-par value shares against cash and/or non-cash contributions, whereby subscription rights may be excluded (Authorised Capital 2020). As of June 30, 2021, the Authorized Capital 2020 had not yet been utilized.

Conditional capital

The share capital of Naga AG is conditionally increased by up to EUR 1,369,860.00 through the issue of up to 1,369,860 no-par value 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 resolution of the Annual General Meeting on March 22, 2017 (Conditional Capital 2017 I). The stock option program has not been utilized to date.

By resolution of the Annual General Meeting of 24 May 2017, the share capital of Naga AG is conditionally increased by up to EUR 8,634,164.00 for the implementation of convertible bonds and / or bonds with warrants issued on the basis of the authorisation resolution of the Annual General Meeting of the same date by issuing up to

8,634,164 no-par value registered shares (Conditional Capital 2017/II).

On 15 January 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 bears interest at 6% p.a.. The maturity period is two years. For accounting purposes, the convertible bond was split into a bond component and a conversion component. The conversion component in the amount of kEUR 197 is recognized in equity, taking deferred taxes into account. After conversion, the shares will be issued from conditional capital or from the utilization of authorized capital.

On 15 March 2021, the corporate convertible bond 2021/2022 in the amount of EUR 8,000,000 was issued. This convertible bond is non-interest bearing. The term is one year. The shares will come from the conditional capital or from the utilization of the authorized capital after the implementation of conversions. Until 30 June 2021, EUR 174,042 of the conditional capital 2017/II was used to service conversions of the corporate convertible bond 2021/2022. The conditional capital 2017/II was also used for further conversions after 30 June 2021.

Own shares

As a result of the acquisition of Hanseatic Brokerhouse Securities AG, Hamburg, ("HBS"), NAGA indirectly holds treasury shares, as HBS itself holds 1,137,139 shares in Naga Group AG as fixed assets. At the time of acquisition, the treasury shares were deducted from the equity capital at the cost of acquisition without affecting the operating result in accordance with IAS 32.33. The acquisition costs, including incidental acquisition costs, were deducted from the equity capital at the cost of acquisition. The acquisition costs including incidental acquisition costs of the treasury shares at the time of acquisition remained unchanged at kEUR 5,526.

The cost method was chosen for the presentation of treasury shares. This means that the acquisition costs are deducted from equity in a separate line and in a single amount.

Dividends

No dividend payment is expected to be declared or made to shareholders for the 2021 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 reported in the balance sheet. Such leases exist in particular for office premises in Hamburg and office and business equipment.

In addition, Naga Markets has entered into a lease agreement for the office premises with a term of one year. In accordance with IFRS 16, a right of use is capitalised and amortised on a straight-line basis.

6. EVENTS AFTER THE BALANCE SHEET DATE

Cancellation of convertible bonds 2021/2022

After the creditors of the convertible bond 2021/2022 had exercised their conversion rights for bonds with a total nominal value of EUR 7,995,000, the Management Board, with the approval of the Supervisory Board, called in the remaining convertible bonds with a nominal value of EUR 5,000 prematurely on 5 October 2021 – in accordance with the bond conditions – as of 22 October 2021.

Capital increase from authorized capital

On September 16, 2021, the Management Board resolved, with the approval of the Supervisory Board, to increase the Company's share capital by EUR 4,204,990.00 by issuing a corresponding number of new shares against cash contributions at a subscription price of EUR 5.40 per share, excluding the shareholders' statutory subscription rights pursuant to sections 203 (1) and 186 (3) sentence 4 of the AktG.





Interim management report

as of 30 June 2021

BASICS OF THE PRESENTATION

This half-year consolidated management report of The Naga Group AG (hereinafter either "NAGA" or "Group") has been prepared in accordance with German Accounting Standard ("DRS") 16. All report contents and disclosures relate to the reporting date 30 June 2021.

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, which may involve a number of risks and uncertainties. Actual results achieved by NAGA may differ materially from the statements made in the forward-looking statements. NAGA assumes no obligation to update these forward-looking statements or to revise them in the event of developments that differ from those anticipated.

NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

NAGA once again generated positive EBITDA of kEUR 2,962 (previous year: kEUR 3,870) in the first half of 2021. Despite the significant increase in revenues, the result for the period in the first half of 2021 is negative at kEUR -522 (previous year: kEUR 2,419) due to high marketing and advertising expenses.

In the first half of 2021, both the number of transactions again increased significantly to 5.7 million and the trading volume to around EUR 132 billion compared to the same period of the previous year (previous year: 2.7 million real money trades with a trading volume of EUR 50 billion).

NAGA manages client assets of EUR 33.5 million as of June 30, 2021 (previous year: EUR 18.5 million).

The number of customers expanded from 43,646 as at 31 December 2020 to 79,113 as at 30 June 2021. This shows an increase of 35,467 customers or 81.3% in the reporting period.

a) Earnings position of the Group

Even though trading revenues and, consequently, gross income increased significantly, the Group generated a negative result for the period in the first half of 2021. The small loss is due in particular to investments in marketing and advertising activities, which are expected to lead to higher sales revenues and thus better results for the period in future periods.

Trading revenues

Revenue generated from brokerage business amounted to kEUR 23,219 (2008: kEUR 12,863). Of this amount, Naga Markets accounted for kEUR 2,755 (PY: kEUR 7,894) and Naga Global accounted for kEUR 20,464 (PY: kEUR 5,055). The strong increase in trading revenue was mainly due to the acquisition of new customers, the increase in trading volumes and the high volatility in the financial markets in the reporting period.

Service revenues

In the same period of the previous year, in addition to trading revenues, service revenues of kEUR 59 were mainly generated by Easyfolio GmbH, which has been deconsolidated since 30 April 2020.

Capitalized programming services

The capitalized programming services amount to kEUR 1,243 (previous year: kEUR 410) and are mainly attributable to the Naga Trader application.

Other operating income

Other operating income of kEUR 20 (previous year kEUR 462) in the same period of the previous year mainly comprised income from the sale of Easyfolio GmbH and income from the derecognition of VAT liabilities.

Personnel expenses

As a result of the increase in the number of employees, personnel expenses rose sharply from kEUR 1,678 to kEUR 3,371.

Other operating expenses

Other operating expenses of kEUR 2,947 (previous year kEUR 2,081) are composed as follows:

in kEUR	01.0130.06. 2021	01.0130.06. 2020
Legal and		
consulting fees	1,644	1,230
Rental and license		
expenses	460	115
Web services	324	182
Third-party services	1	25
Travel expenses	52	55
Other	465	474
Total	2,947	2,081

The increase in legal and consultancy costs compared with the same period of the previous year is mainly due to the capital measures prepared and implemented in the reporting period. The rental expenses relate to leases expiring in the short term, which do not have to be recognised in the balance sheet in accordance with IFRS 16.

Depreciation

Depreciation and amortisation of kEUR 2,680 (prior year: kEUR 1,414) mainly relate to capitalised customer acquisition costs of kEUR 1,148, Swipy Technology of kEUR 635, Naga Trader of kEUR 441 and the acquired customer base of HBS of kEUR 262. Furthermore, amortization of the rights of use according to IFRS 16 in the amount of kEUR 61 (prior year: kEUR 70) was incurred.

EBITDA development

Despite the expected growth in revenues, EBITDA decreased compared to the same period of the previous year. This is due in particular to the increase in marketing and advertising expenses, which form the basis for the Group's further growth. In addition, personnel expenses were higher as a result of further recruitment. Furthermore, it must be taken into account that the result of the previous year's period was influenced by positive special effects of the COVID-19 pandemic which started in this period.

Result for the period

The negative result for the period amounts to kEUR -522 (previous year: kEUR 2,419). There were no unscheduled depreciations or value adjustments.

b) Financial position of the Group

In the first half of 2021, the subscribed capital and the capital reserve increased by a total of kEUR 994 as a result of conversions of the 2021/2022 convertible bond.

The capital structure of the Group is as follows:

in%	30.06. 2021	31.12. 2020	Change
Equity ratio	80.7	86.1	-5.4
Debt ratio	19.3	13.9	5.4
Leverage ratio	23.9	16.1	7.8

The Group's cash flows developed as follows in the first half of 2021:

in kEUR	30.06.2021	30.06.2020
Cash flow from		
operating activities	325	-232
Cash flow from		
investing activities	-6,653	-573
Cash flow from		
financing activities	6,778	1,862
Cash and cash		
equivalents at the		
beginning of the		
period	5,233	3,152
Cash and cash		
equivalents at the		
end of the period	5,683	4,209

Cash and cash equivalents increased by kEUR 449 to kEUR 5,683 in the first half of 2021



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

in kEUR	30.06. 2021	31.12. 2020	Change
Cash and cash equivalents	5,683	5,233	450
less current liabilities	24,757	14,390	10,367
Subtotal	-19,074	-9,157	-9,917
plus current assets	15,807	11,105	4,702
Surplus / shortfall	-3,267	1,948	-5,215

As of the reporting date, current liabilities of kEUR 3,267 (previous year: excess of kEUR 1,948) are not covered by current assets and cash and cash equivalents. With a nominal amount of EUR 9,000,000 (previous year: EUR 0), the current liabilities include liabilities from convertible bonds, of which EUR 7,000,000 had already been converted into shares of Naga AG by the time these interim financial statements were prepared.

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

in kEUR	30.06. 2021	31.12. 2020	Change
Equity	112,262	111,802	460
Plus medium- and			
long-term liabilities	2,051	3,641	-1,590
less medium- and			
long-term tied			
assets	117,580	113,497	4,083
Surplus / shortfall	-3,267	1,946	-5,213

Medium- and long-term assets are 97% covered by equity and medium- and long-term debt.

c) Net assets of the Group

NAGA's net assets developed as follows in the first half of 2021:

nali oi 2021:			
in kEUR	30.06. 2021	31.12. 2020	Change
Assets	139,070	129,835	9,235
Non-current			
assets	117,580	113,497	4,083
Current			
assets	21,490	16,338	5,152
Liabilities	139,070	129,833	9,237
Equity	112,262	111,802	460
Non-current			
liabilities	2,051	3,641	-1,590
Current			
liabilities	24,757	14,390	10,367

The increase in non-current assets is due to the high part of capitalisable expenses for customer acquisition.

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

Current assets of kEUR 21,490 (previous year: kEUR 16,338) include trade receivables of kEUR 1,535 (previous year: kEUR 1,536), cash and cash equivalents of kEUR 5,683 (previous year: kEUR 5,233). In addition, there are receivables from derivatives in the amount of kEUR 11,167 (prior year: kEUR 7,017).

As of June 30, 2021, current liabilities mainly include liabilities to shareholders in the amount of kEUR 5,068 (PY: kEUR 3,080), the corporate convertible bond 2021/2022 in the amount of kEUR 6,305 (PY: kEUR 0), trade payables in the amount of kEUR 2,007 (PY: kEUR 1,044) and provisions in the amount of kEUR 514 (PY: kEUR 860).

FORECAST, OPPORTUNITY AND RISK REPORT

a) Forecast report

For the 2021 financial year, NAGA is adhering to the forecast issued in January 2021, according to which the Executive Board expects revenues of between EUR 50 million and EUR 52 million and EBITDA in the range of EUR 13.0 - 15.0 million.

b) Opportunity and risk report

With regard to opportunities and risks, there have been no changes compared to the presentation in the previous Annual Report 2020.

CORPORATE BODIES OF THE COMPANY

Management board members

The Executive Board consisted of or includes

- Mr. Benjamin Bilski, Cyprus, Business Economist (M. Sc.)
- Mr. Andreas Luecke, Hamburg, Lawyer/ Tax Consultant
- Mr. Michalis Mylonas, Cyprus

Supervisory board members

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

- Mr. Harald Patt, Friedrichsdorf, Managing Director, (Chairman)
- Mr. Hans-Jochen Lorenzen, Hamburg, Certified Public Accountant/Tax Consultant
- Mr. Robert Sprogies, Vaterstetten, Managing Director (Deputy Chairman)
- Mr. Qiang Liu, Shanghai (China), Managing Director

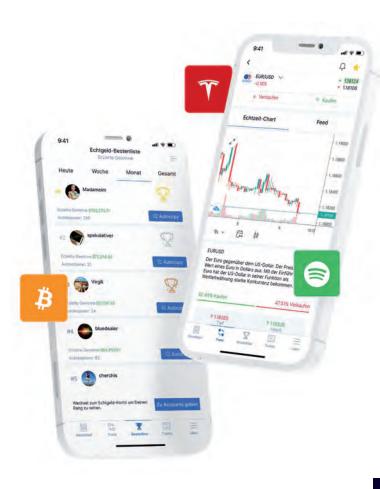
Hamburg, 27 October 2021

The NAGA Group AG

- Board of Directors -









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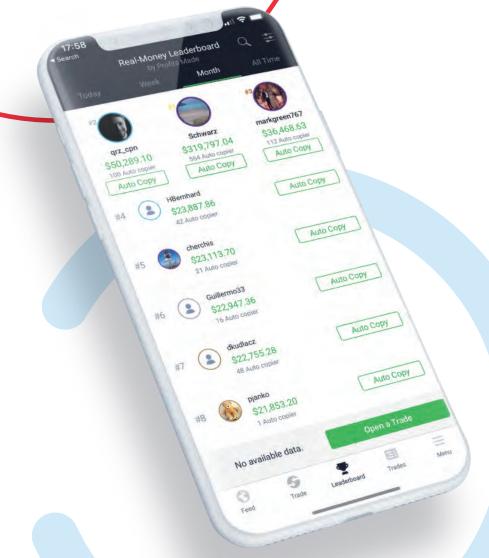
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Financial calendar

June 2022: Publication of the 2021 consolidated financial statements

Layout

www.betriebsart.de



NAGA on the Web

NAGA Homepage: https://group.naga.com/de/

Investor Relations: https://group.naga.com/de/ investor-relations/investment-thesis

Social Media

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