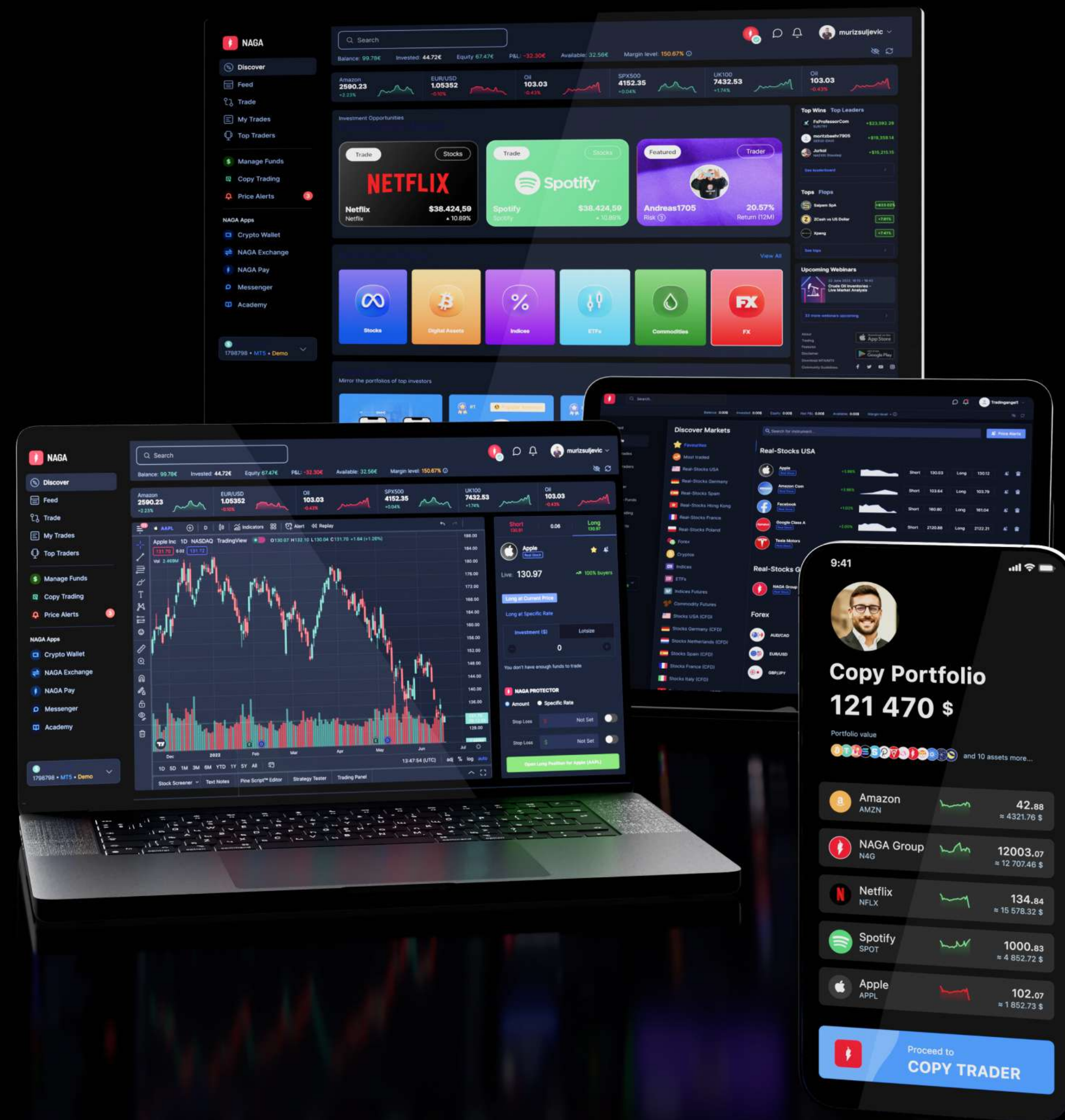




TRADING UPDATE 2023

Last update: 03.02.2023





What to expect from the trading updates?

- Format: 30 – 45 minutes followed by a 15min Q&A
- A transparent view of how NAGA as a business performs on a month over month level
- Management view and comments on latest news, development and trends
- **A short Q&A with Benjamin Bilski (CEO)**

Ultimate goal:

Make our shareholders and interested parties understand NAGA better and deliver highest level of transparency as a publicly traded company





News releases in the past month:



19.01.2023 / 15:47 CET/CEST:

The NAGA Group AG is in discussions to pursue a strategic transaction with a multi-country brokerage firm

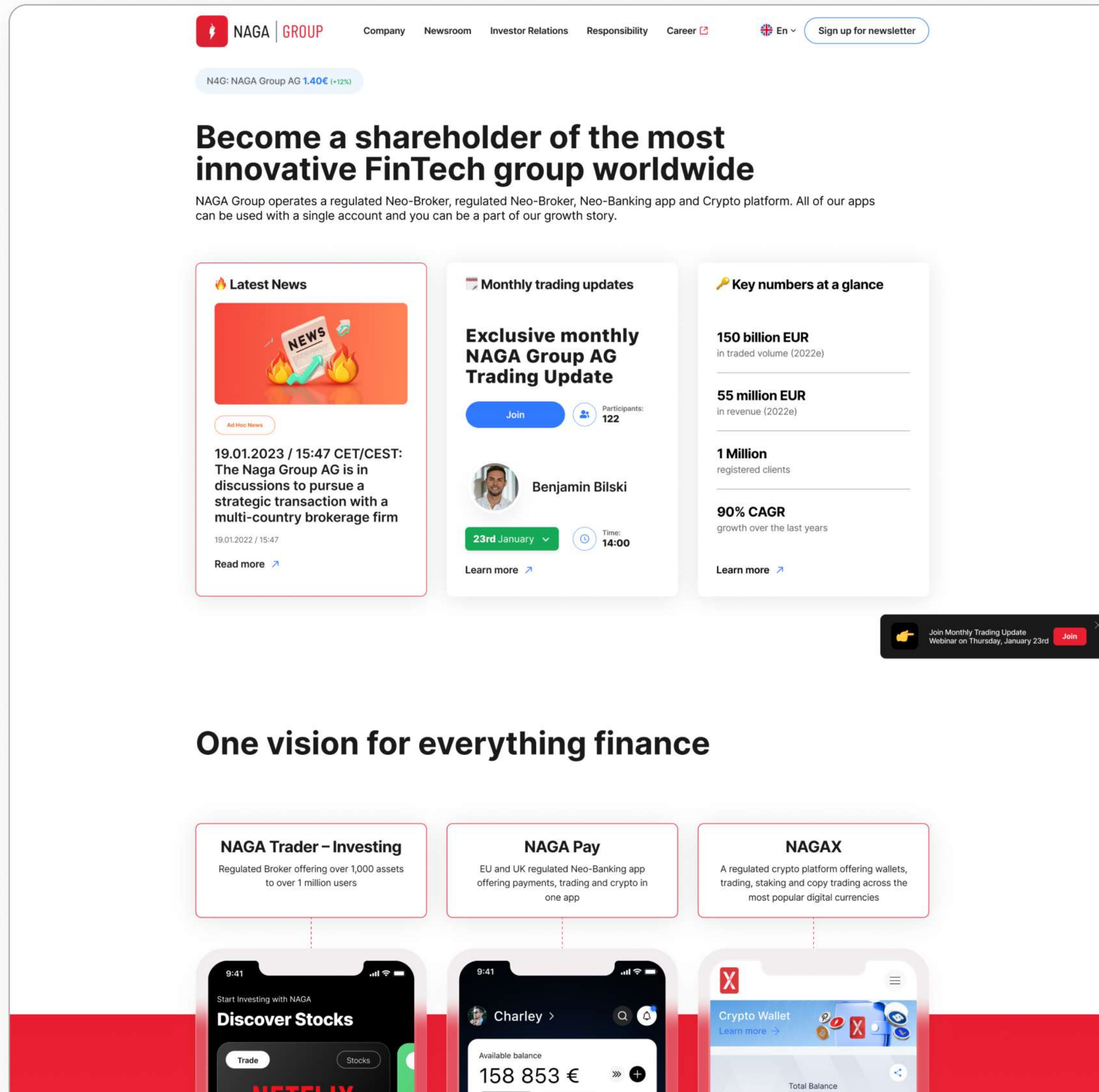
Hamburg, 19 January 2023. The NAGA Group AG (NAGA) is in discussions to pursue a potential strategic transaction with a multi-country brokerage firm, potentially in the form of a merger of the two companies. NAGA will maintain its current listing status following the consummation of any such transaction.

The transaction is subject to due diligence and is expected to be finalised subject to customary conditions precedent and regulatory approvals, and to close in Q4 2023





Special Update: New group website



Whats new? (Walkthrough)

- New design
- Monthly trading webinars
- A complete new Newsroom
- A improved IR section
- Improved newsletter distribution



About NAGA and the business model

ABOUT NAGA AND THE BUSINESS MODEL

What do we offer

We operate 3 regulated verticals

- Brokerage (NAGA Trader)
- Payment (NAGA Pay)
- Crypto (NAGAX)

What drives our growth?

- New (funded) accounts
- Customer deposits
- Active trading accounts
- # of Payment transactions
- # of exchange deals

What are challenges in this business:

- Customer acquisition cost
- Regulatory changes
- Customer churn
- Market volatility

How do we make money?

- Trading fees (97%)
- Payment fees (1%)
- Crypto exchange, market maker fees(2%)

"Trading income is not growing in a straight line, as clients tend to open and close trades not proportionally In some months or weeks there can be much higher revenue than in other phases"

We like to evaluate the real performance based on a 90 days snapshot:

We are confident as long as if we see consistent growth in at least 2 of the below in our 90 days frame.

- Number of new funded accounts
- Net Deposits
- Revenue
- Active accounts



Agenda

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





Executive Summary

Our plans as end of 2021:

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

However:

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

Nevertheless:

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



Peer Group Analysis

2023 TRADING UPDATE

As of 31.12.2022

| Company | Type | Share price 31.12.2021 | Valuation 31.12.2021 | Share price 14.12.2022 | Est. Valuation 31.12.2022 | YTD Change |
|---|---------------|---------------------------|-------------------------|---------------------------|------------------------------|------------|
|  NAGA | Broker/Crypto | EUR 7.50 | EUR 405.0M | EUR 1.15 | EUR 62M | - 84% |
|  flatex | Broker | EUR 22.20 | EUR 2.2B | EUR 6.33 | EUR 0.7B | - 72% |
|  coinbase | Crypto | USD 280.00 | USD 63.2B | USD 35.54 | USD 8.6B | -88% |
|  robinhood | Broker/Crypto | USD 18.20 | USD 18.0B | USD 8.20 | USD 7.3B | -88% |
|  etoro | Broker/Crypto | Private (to deSPAC) | USD 10.2B | IPO cancelled | USD 3.5B | -60% |
|  Klarna | Payments | Private | USD 46.0B | private | USD 6.0B | -86% |
|  Nasdaq | Index | USD 15,644 | | USD 10,466 | | -33% |
|  bitcoin | Lead Crypto | USD 47,300 | | USD 16,600 | | -65% |

PEER GROUP ANALYSIS



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Executive Summary

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

1 Capitalized marketing expenses

2 Crypto treasury

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

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

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



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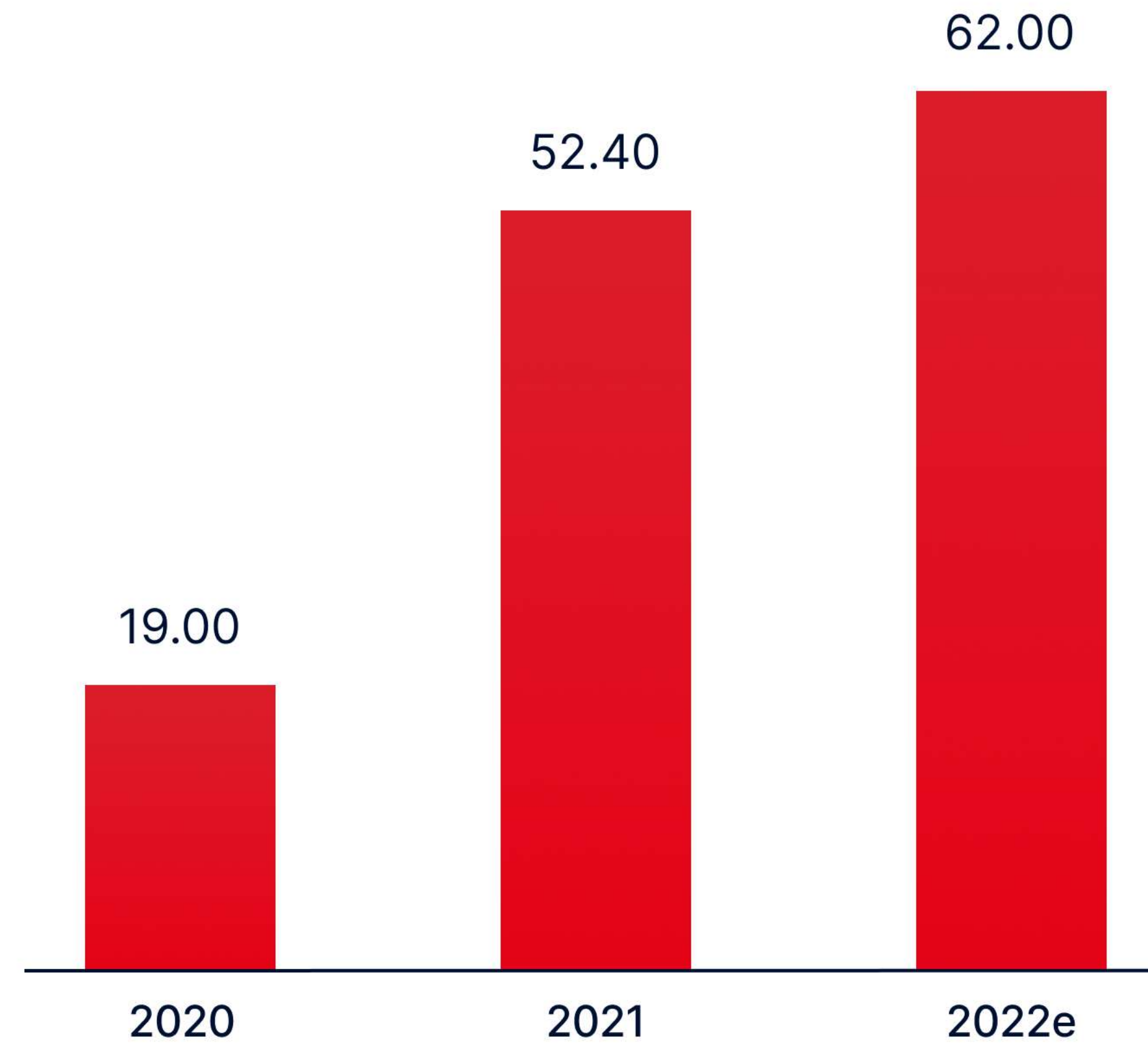
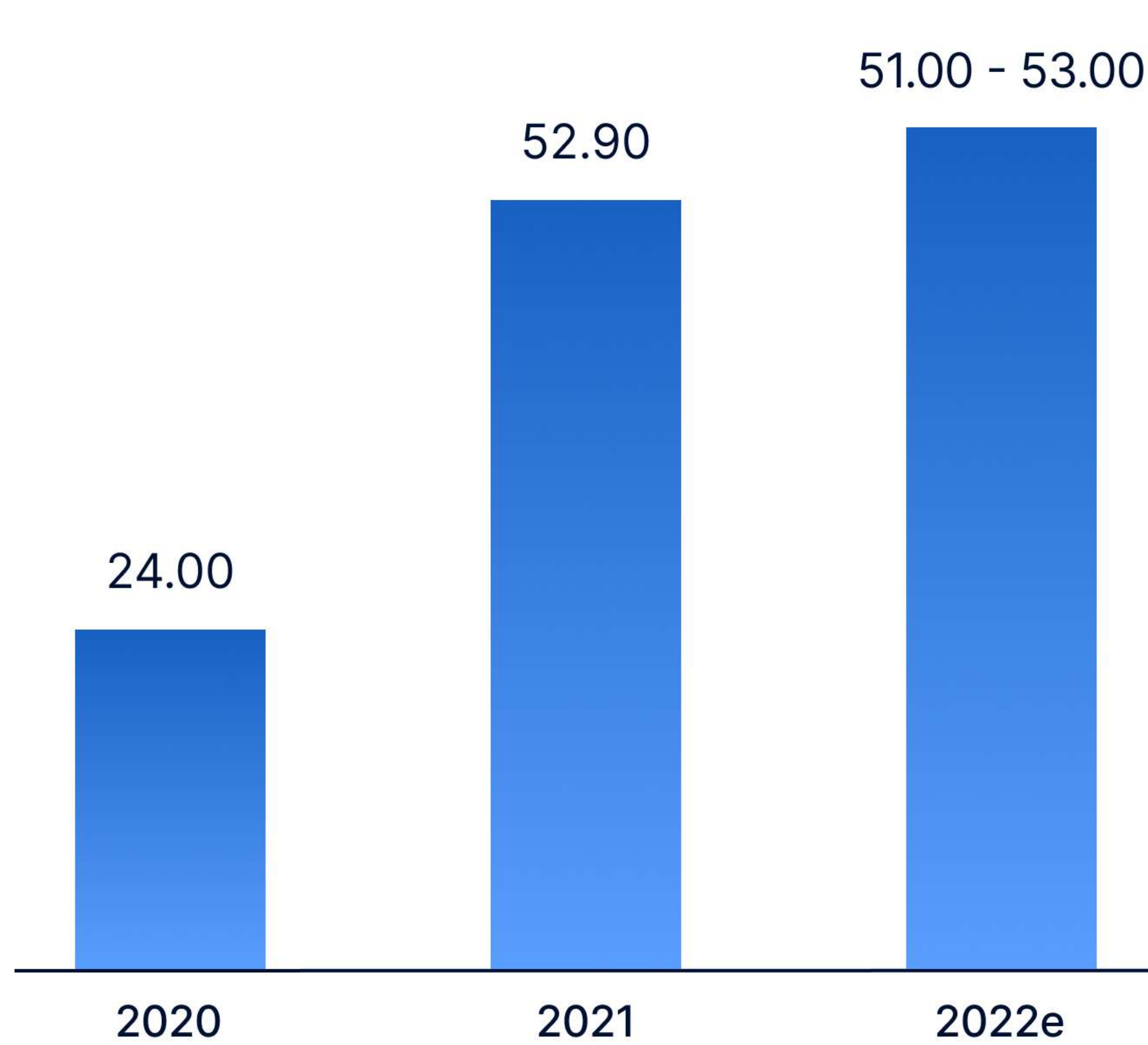
YTD Performances: Revenue & Cost

2023 TRADING UPDATE

Revenue (in EUR million)

Expenses (in EUR million)

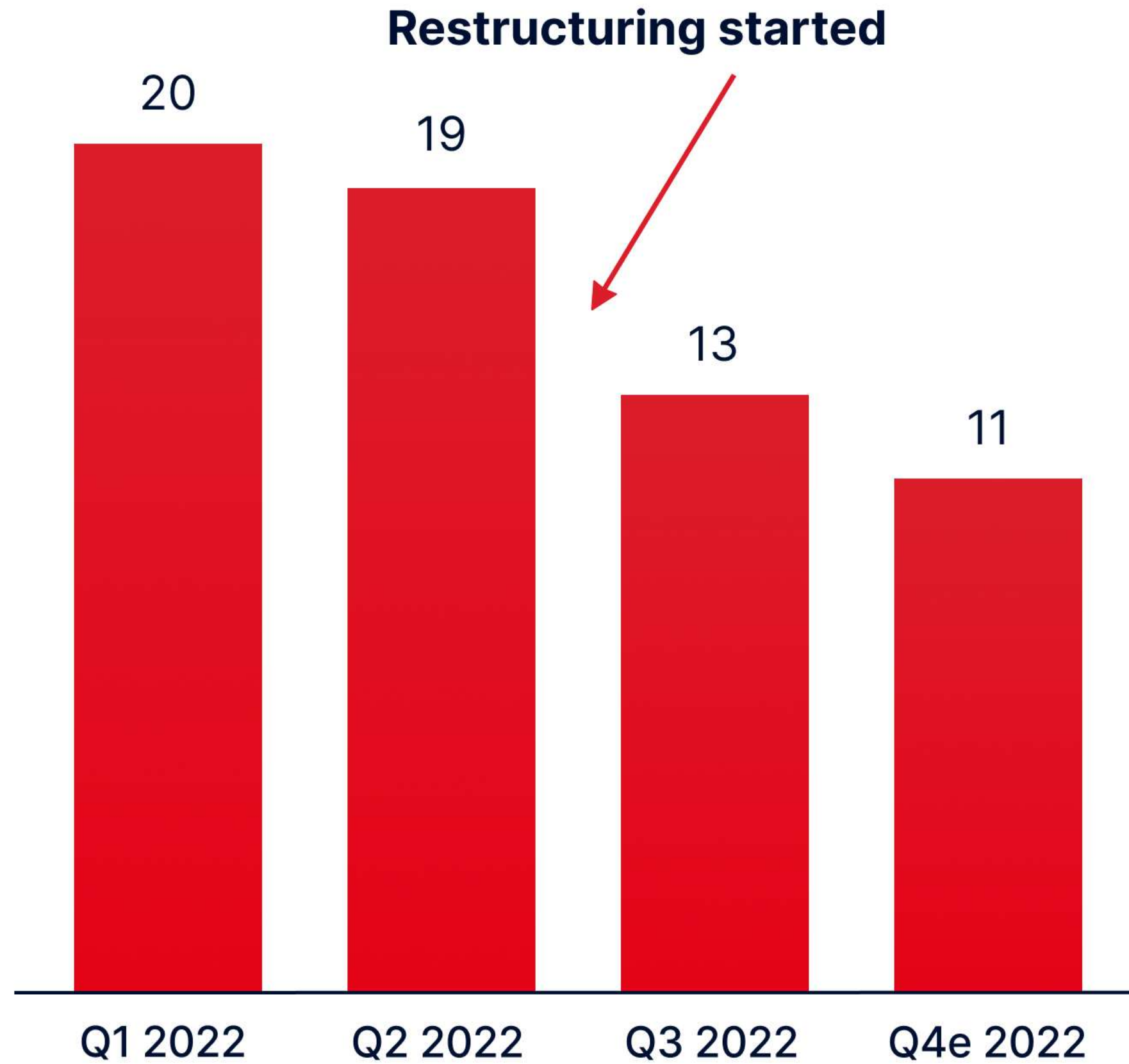
YTD PERFORMANCE





Restructuring: Process

Expenses (in EUR million)



RESTRUCTURING

Our initiatives

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

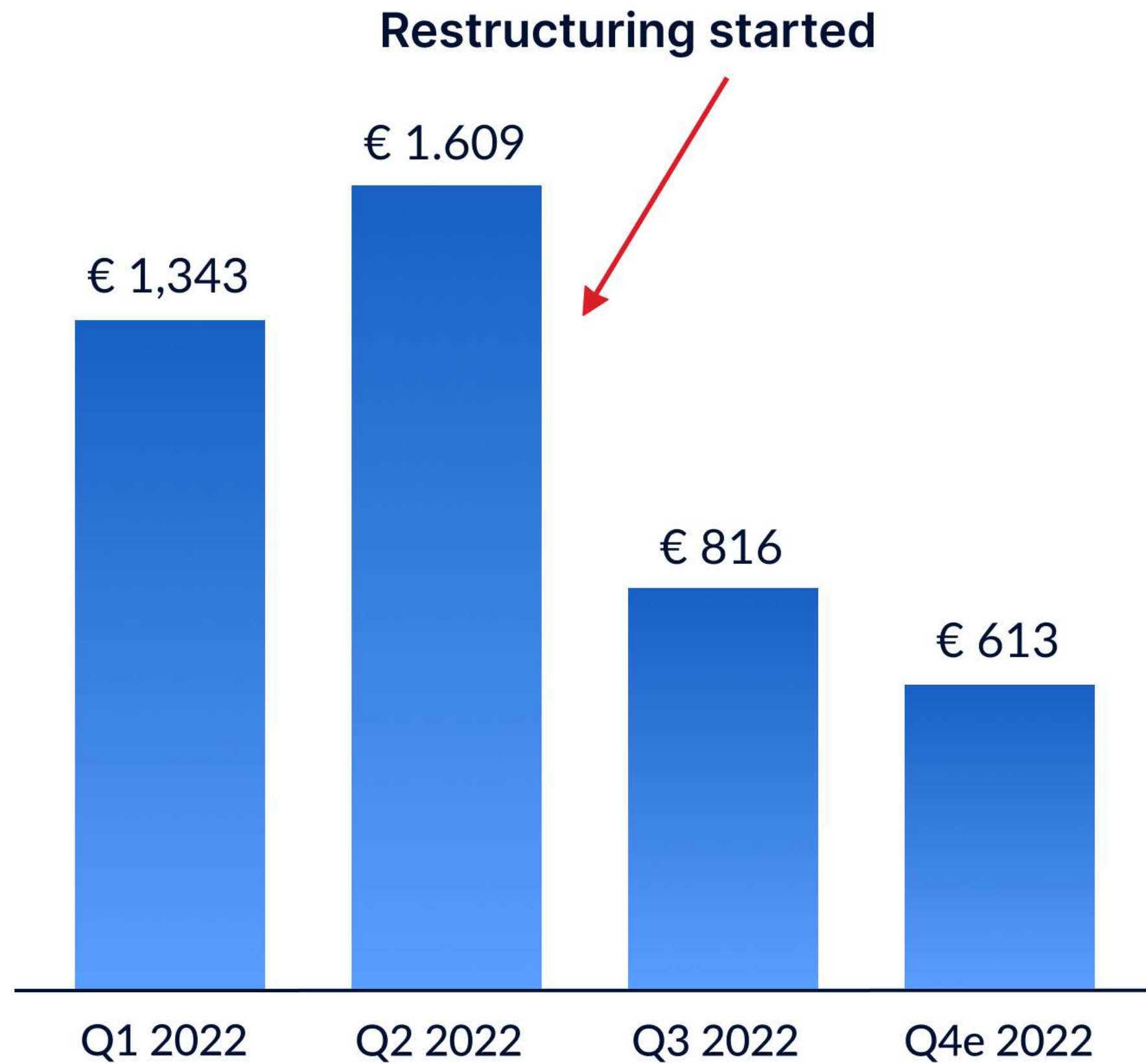
Focus on

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



Year to Date KPIs – CAC/LTV

Avg. Cost per Acquisition



Avg. Trader Value

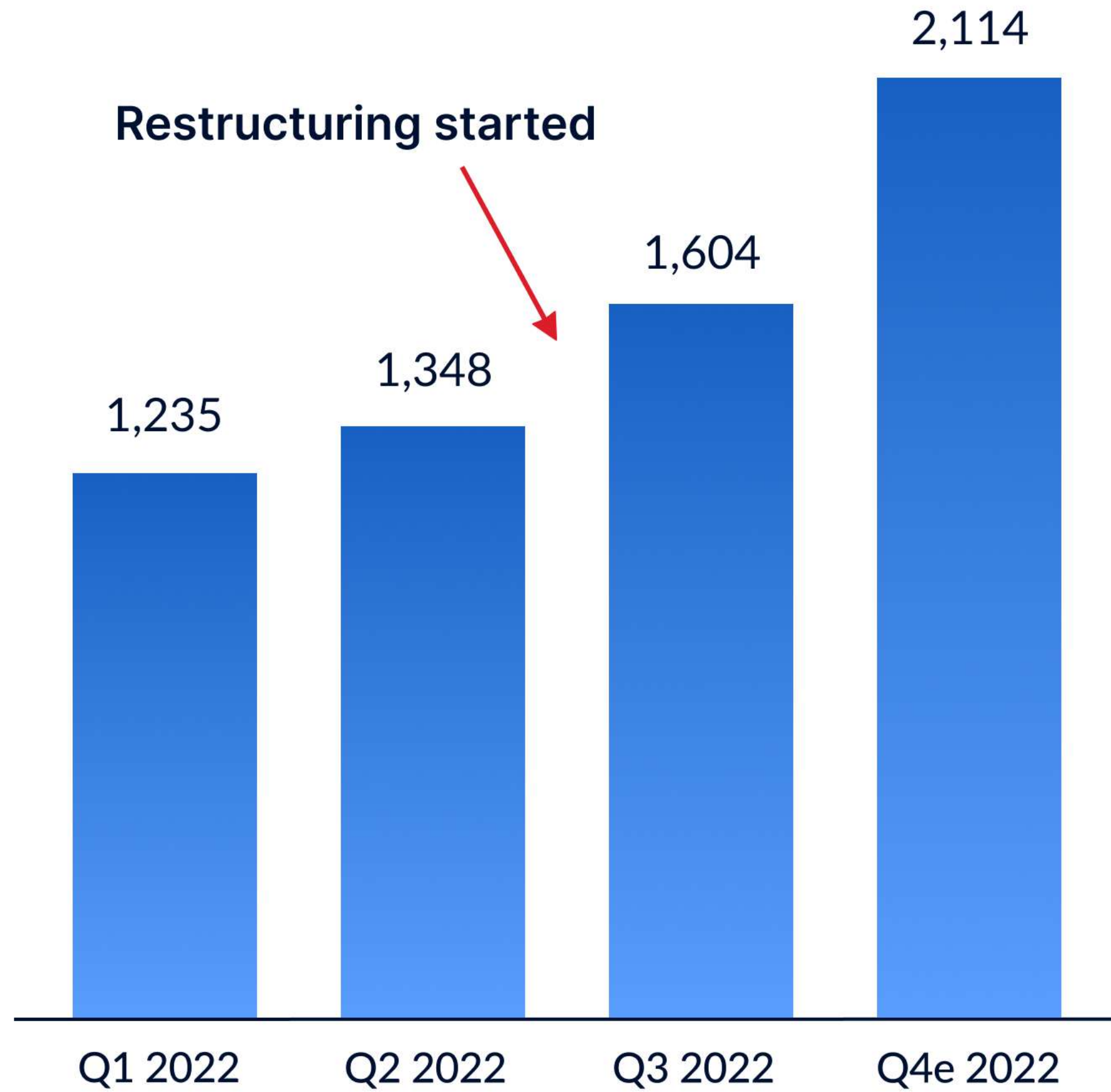


YTD KPIS



Core KPIs: FTDs & Monthly Transactions

Avg. Monthly First Time Depositors



Avg. Monthly Transactions



CORE KPIS

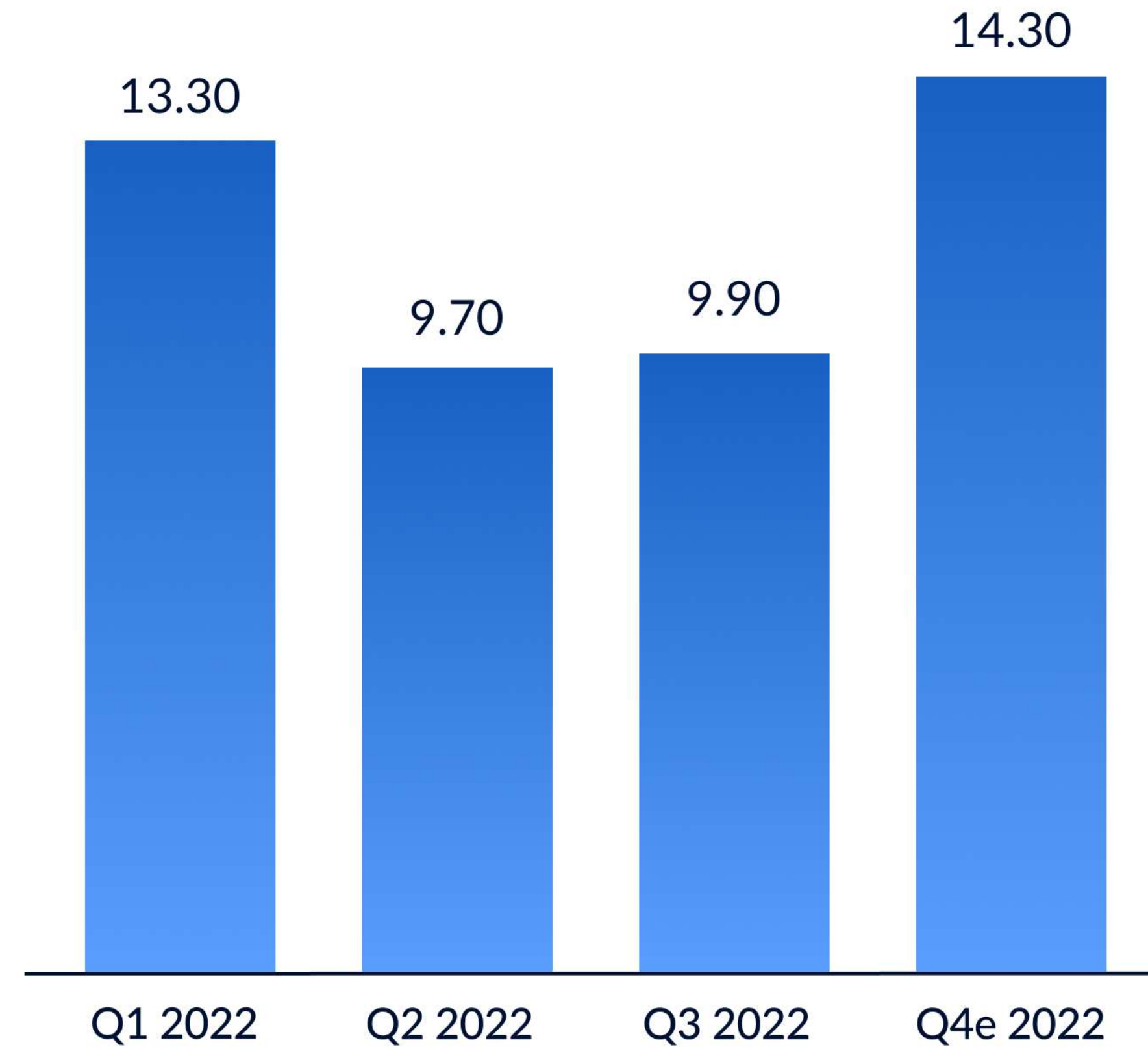
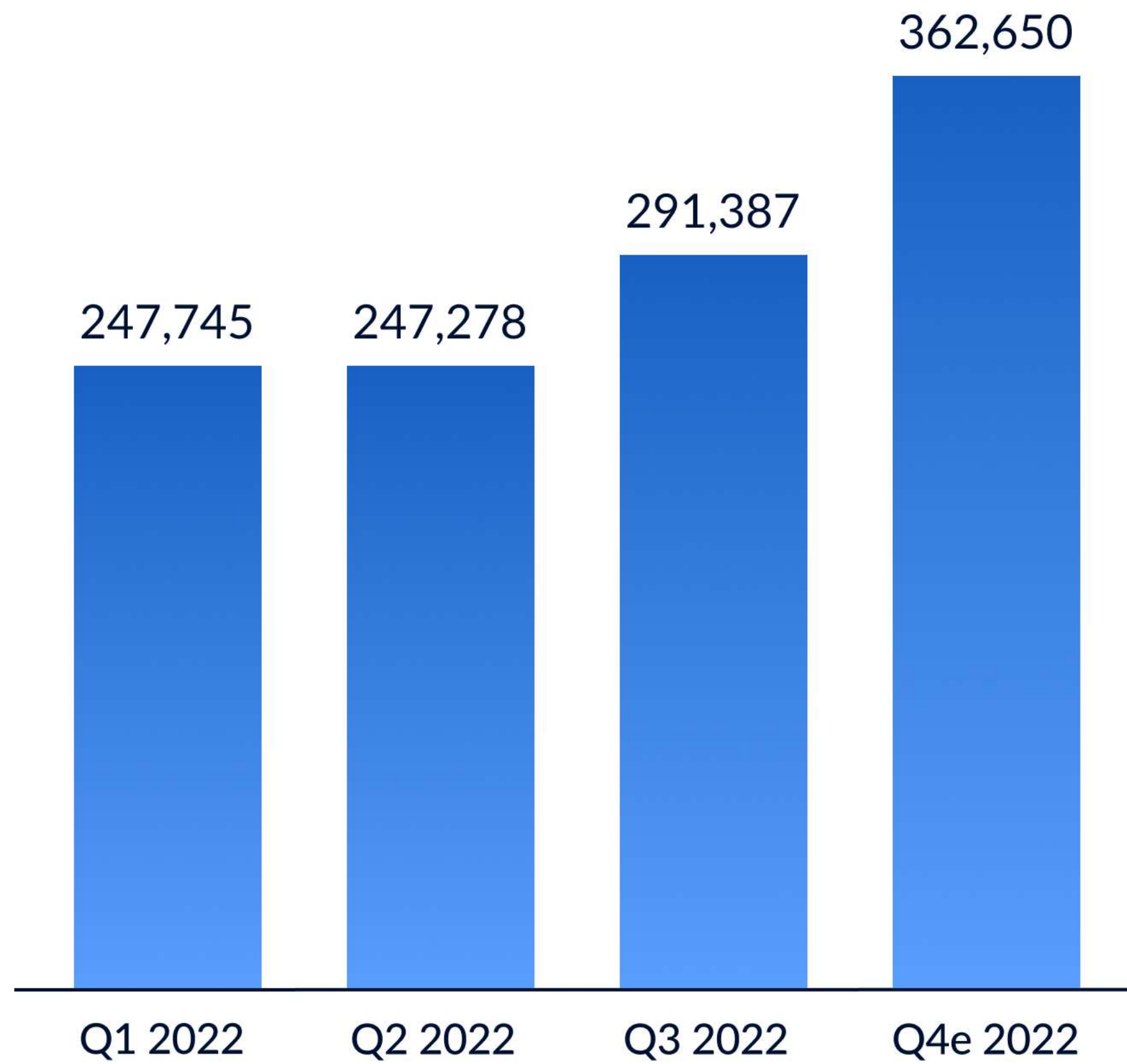


Year to Date KPIs – User Activity

Avg. Monthly Copied Trades

Avg. Volume Traded (in EUR billion)

YEAR TO DATE KPIS





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Restructuring Process: *Rationale*

2023 TRADING UPDATE

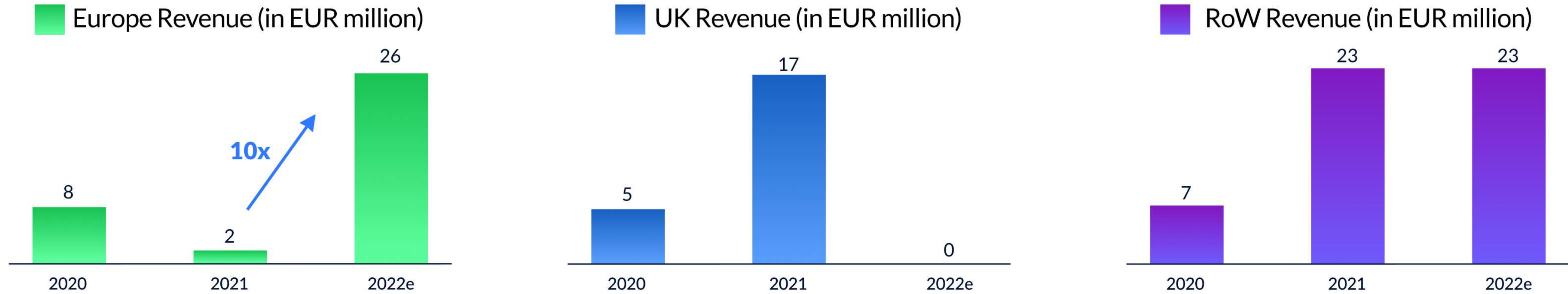
RESTRUCTURING PROCESS: RATIONALE

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

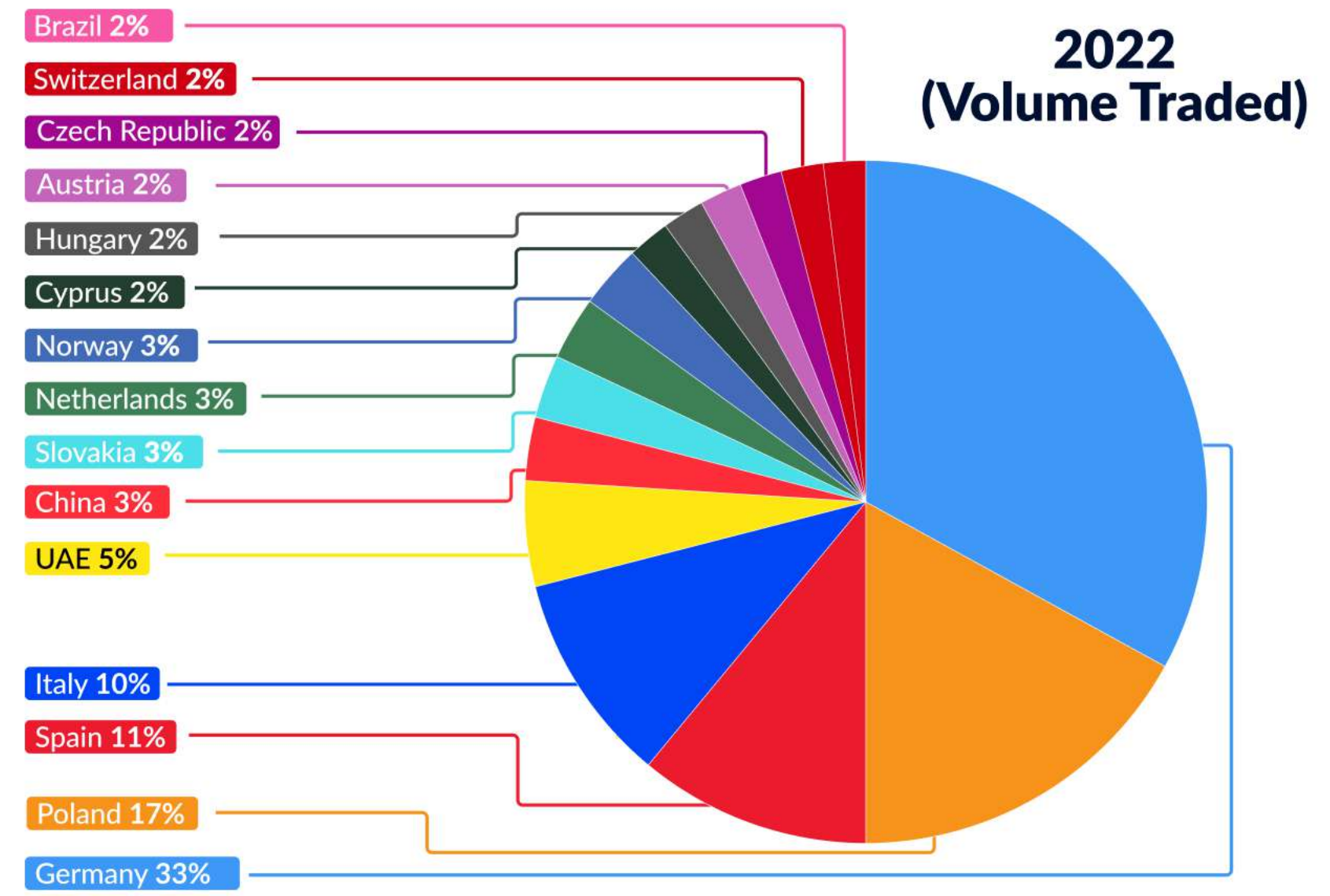


Demonstration of Strength: Our Shift from UK to Europe

REVENUE DRIVERS



- UK was the best market for NAGA thus far and is the largest CFD market in the world.
 - 2022 results were achieved entirely without the UK
 - NAGA exited the UK in late 2021 (as per adhoc) and had to re-allocate budgets to other countries which caused several inefficiencies
 - Germany is today the number 1 market for NAGA
 - The „switch“ caused spikes in client acquisition cost
- By Q2 NAGA aims to re-enter the UK market through a regulated brokerage / partnership and revive the UK market.**





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Noteworthy product updates and objectives in the past month

NOTEWORTHY PRODUCT UPDATES AND OBJECTIVES IN THE PAST MONTH

| NAGA Trader | | Objective |
|--|--|---|
| Brand new KYC Europe and Non-Europe | | Conversion, growth of New Depositors |
| New payment integrations with Truelayer, Neteller and Skrill | | Growing net desposits |
| NAGA Capital go live preparations | | Growing net desposits |
| Standalone Trading Database | | Improving autocopy performance and overall trading performance |
| NAGA Pay | | Objective |
| Cashback | | New customer acquisition, retention, lowering churn |
| Buy and sell crypto with Fiat | | New business model and fee generation, preparation for next bull market cycle |
| Referral programme | | Customer acquisition, lowering CAC, customer retention |
| New Elite level to be launched | | Higher ticket clients, retention and build out of USP |
| NAGAX | | Objective |
| Automated hedging desk | | Risk management, customer journey improvement and better fee income |
| Compliance upgrades | | New business model and fee generation, preparation for next bull market cycle |



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Our Outlook

The key focus of the NAGA Management for 2023

- Full focus on EBITDA ratios rather than top line growth
- Further cost cuts in 2023
- Improving efficiency of marketing and sales while delivering at least 25% YoY growth

Immediate Growth Projects 2023

- Re-entering the UK market
- Launching NAGA Capital Seychelles by Q1 2023 (licence granted in 2022)
- Launching NAGA Institutional Desk for Volume Traders in early 2023





Key Takeaways for our Shareholders

2023 TRADING UPDATE

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



NAGA

THANK YOU FOR YOUR ATTENTION!

In the following days this webinar will be recorded
and also translated into German 🇩🇪

The presentation and the recording will be available on our
group webpage and accessible at any time

