



# CONSOLIDATED HALF-YEAR REPORT

as of 30 June, 2022







# Table of Contents

→ Foreword by the Management Board	4
→ Object of the Company	8
→ Half-Year Consolidated Financial Statements	9
Half-Year Consolidated Balance Sheet	10
Consolidated Statement of Comprehensive Income	12
Consolidated Statement of Changes in Equity	14
Consolidated Cash Flow Statement	16
→ Condensed Notes to the Consolidated Financial Statements	17
→ Interim Management Report	24
→ Imprint	29



Dear Shareholders,  
dear friends and supporters of NAGA,

The war between Ukraine and Russia has deeply depressed the mood on the financial markets, but also, and above all, the mood of investors. Thus, in contrast to the spring of 2021, there was a sharp decline in interest in the stock market during the first months of 2022. Fear of a rapid recession, driven by inflation and geopolitical conflict, dominated the investor world. The cost per new client skyrocketed and trading activity hit new lows, especially in April as well as May. NAGA has felt this particularly in the reduced activity of customers as well as the generally declining interest in the trading platform.

Consequently, the NAGA share - like many other growth stocks, especially in the technology sector - came under heavy pressure and, in conjunction with market-related necessary write-downs in the 2020 and 2021 financial statements and corresponding forecast adjustments (also for 2022), lost significant ground.

business and the reduction of acquisition costs while maintaining the same lifetime value. Now, at the end of 2022, the positive effects of the extensive measures are clearly making themselves felt, but were not yet reflected in the earnings figures for the first half of 2022, in which, with consolidated revenues of EUR 35.0 million (H1 21: 23.2m), we generated consolidated EBITDA of EUR -2.7m (H1 21: EUR -0.2m) and a half-year result of EUR -19.1m (this includes the write-down of non-current crypto assets of around EUR 12m; H1 21: EUR -2.8m).

A look at the transaction and user KPIs also confirms that the measures implemented are correct, and the fourth quarter of 2022 even sets new records for the number of new depositors: Average monthly FTDs (first-time depositors) increased from 1,235 in Q1 2022 to now 2,114. At the same time, average monthly transactions increased from around 664,000 (Q1 2022) to 771,000 (Q4 2022) and the number of active traders grew to 28,000 (Q1 2022: 27,000).

On the revenue side, we were able to increase revenue per customer through geographic diversification with customers in over 100 countries. Our

2023 will be an exciting year for NAGA. We look forward to the implementation of our growth projects and will keep you informed of progress made.

We wish you happy holidays with your loved ones and a prosperous and healthy 2023.

With kind regards

## The Board of Directors



Benjamin Bilski

Heche

Andreas Luecke



Michalis Mylonas



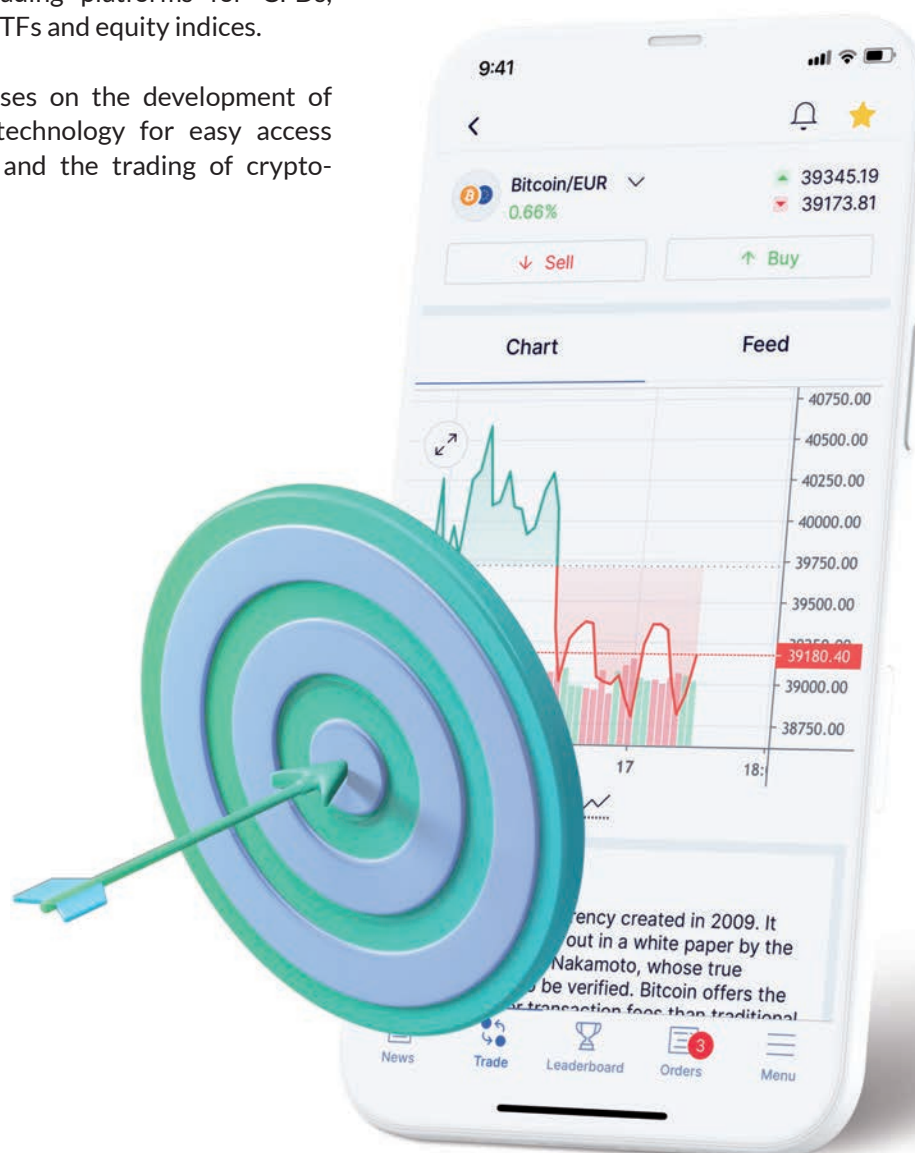


## Object of the company

NAGA is a German fintech company based in Hamburg and listed on the Open Market of the Frankfurt Stock Exchange. 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 subsidiaries NAGA Markets Ltd, Cyprus and NAGA Global LLC, St. Vincent & Grenadines, which are pure online brokers providing trading platforms for CFDs, Forex, commodities, ETFs and equity indices.

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, 2022

Half-Year Consolidated Balance Sheet	10
Consolidated Statement of Comprehensive Income	12
Consolidated Statement of Changes in Equity	14
Consolidated Cash Flow Statement	16



## as of June 30, 2022

## ASSETS

## Non-current assets

Intangible assets	117,713	119,594
Property, plant and equipment	642	550
Rights of use	120	38
Financial investments and other assets	337	157
<b>Total non-current assets</b>	<b>118,812</b>	<b>120,339</b>

## Current assets

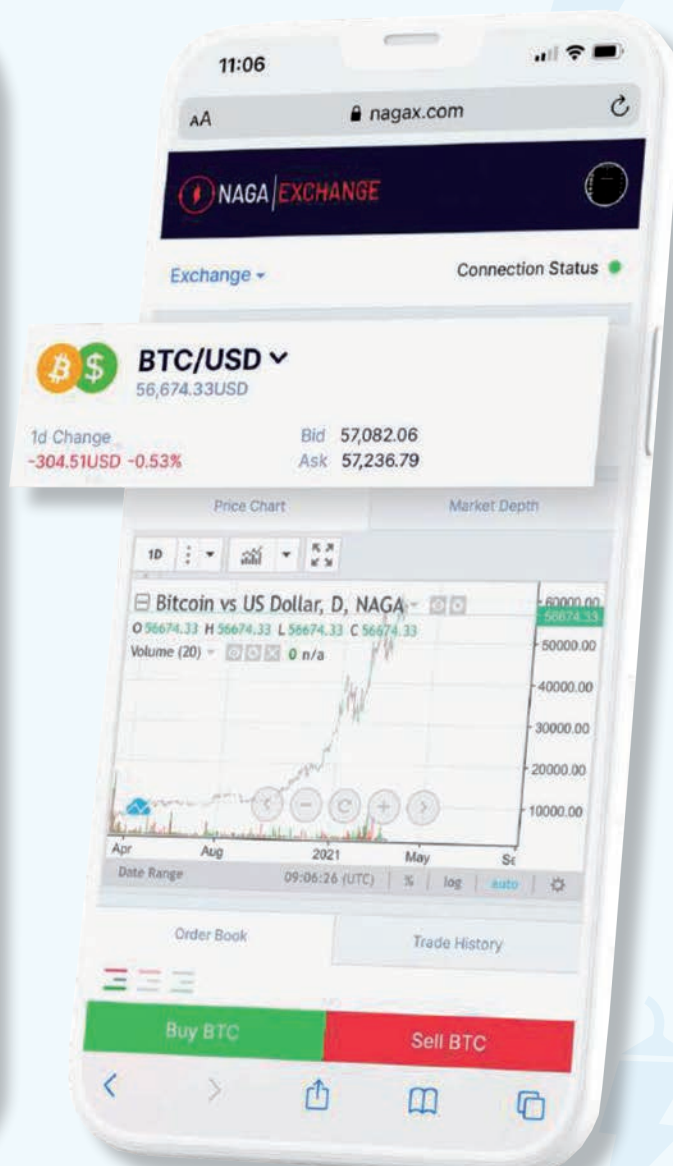
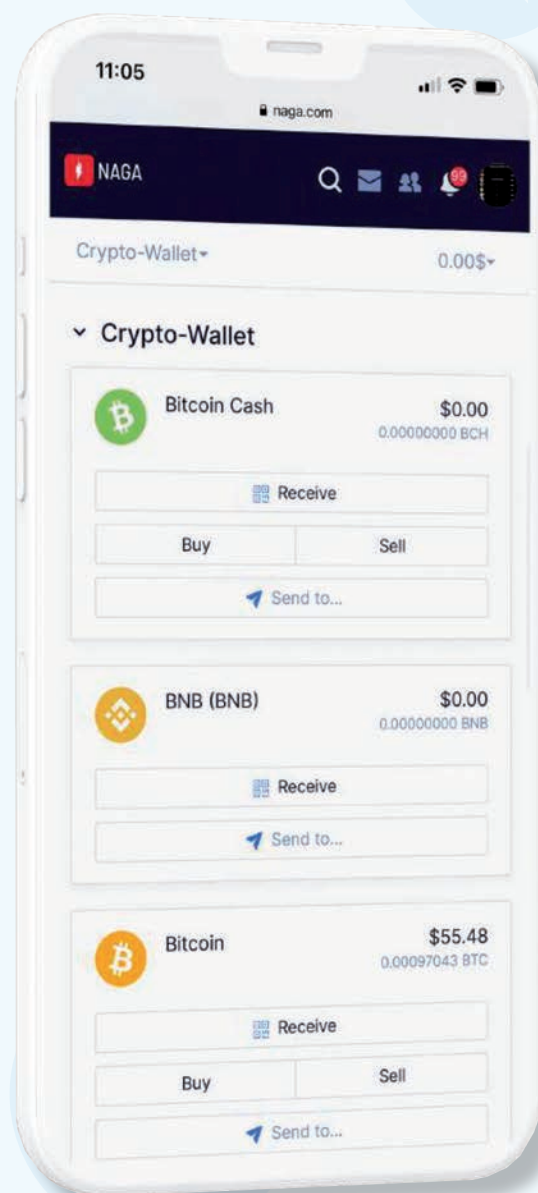
Crypto Assets	931	3,333
Accounts receivable trade	1,626	1,557
Other current assets	12,728	34,127
Tax receivables	50	50
Receivables from derivatives	13,006	9,379
Cash and cash equivalents	5,342	8,583
<b>Total current assets</b>	<b>33,683</b>	<b>57,030</b>

## Total assets

11

from January 1 to June 30, 2022

Trading revenues	35,018	23,219
<b>Revenues</b>	<b>35,018</b>	<b>23,219</b>
Captialized programming services	3,913	1,243
<b>Total output</b>	<b>38,932</b>	<b>24,461</b>
Direct expenses of trading income	3,607	1,968
Trading costs	333	962
<b>Gross income</b>	<b>34,992</b>	<b>21,531</b>
Other operating income	36	20
Development costs	4,456	1,526
Personnel expenses	5,536	3,371
Marketing and advertising expenses	20,523	13,874
Devaluation of short-term assets	1,951	0
Other operating expenses	5,303	2,947
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>-2,742</b>	<b>-167</b>
Depreciation	3,897	1,782
Devaluation of long-term crypto assets	11,995	0
<b>Operating result (EBIT)</b>	<b>-18,634</b>	<b>-1,950</b>
Financial income	10	1
Financial expenses	512	458
<b>Earnings before taxes (EBT)</b>	<b>-19,137</b>	<b>-2,407</b>
Income taxes (expense (+) / income (-))	-82	345
<b>Result for the period</b>	<b>-19,055</b>	<b>-2,753</b>
Equity difference from currency translation	0	-12
<b>Overall result for the period</b>	<b>-19,055</b>	<b>-2,765</b>
<b>Of the net profit for the period profit attributable to</b>		
Shareholders of the parent company	-19,063	-2,752
Non-controlling interests	8	-1
<b>Of the overall result for the period attributable to</b>		
Shareholders of the parent company	19,063	-2,764
Non-controlling interests	8	-1
<b>Earnings per share in EUR</b>		
Undiluted	-0,35	-0,06
Diluted	-0,35	-0,06







15

from January 1 to June 30, 2022

	01.01.-30.06.2022 kEUR	01.01.-30.06.2021 kEUR
<b>Operating cash flow</b>		
<b>Earnings before income taxes</b>	<b>-19,137</b>	<b>-2,407</b>
Depreciation, amortisation and impairment of non-current assets	3,897	1,782
Financial income and financial expenses	502	458
Other non-cash expenses and income	13,947	0
	<b>-791</b>	<b>-167</b>
<b>Cash flow before changes of net current assets</b>		
Decrease in provisions	803	-346
Increase (-) / decrease (+) in trade receivables	-68	0
Increase (-) / decrease (+) in other assets	-8,335	-4,703
Increase (+) / decrease (-) in trade payables and other liabilities	-6,640	2,411
<b>Operating cash flow</b>	<b>-15,031</b>	<b>-2,804</b>
<b>Cash flow from investing activities</b>		
Proceeds from disposals of financial assets	0	2
Payments for investments in intangible assets	-13,898	-3,384
Proceeds from the use of money market funds	26,061	0
Payments for investments in financial assets	-181	-10
APayments for investments in property, plant and equipment	-167	-132
<b>Investing cash flow</b>	<b>11,816</b>	<b>-3,524</b>
<b>Cash flow from financing activities</b>		
Repayment of financial liabilities	0	-120
Repayment of lease liabilities	-20	0
Cash inflows from the raising of loans/convertible bonds	0	7,145
Interest paid	-6	-248
<b>Financing cash flow</b>	<b>-26</b>	<b>6,778</b>
<b>Net increase in cash and cash equivalents</b>	<b>-3,241</b>	<b>449</b>
Cash and cash equivalents at the beginning of the period	8,583	5,233
<b>Cash and cash equivalents at the end of the period</b>	<b>5,342</b>	<b>5,683</b>



# Condensed Notes to the Consolidated Financial Statements

as of June 30, 2022





Company	Main business activity	Shareholdings 30.06.2022	31.12.2021
NAGA FINTECH CO., LTD., Bangkok, Thailand	Distribution company	100 %	100 %
Naga Pay GmbH, Hamburg	mobile bank	100 %	100 %
Naga Pay UK Ltd., London, United Kingdom	mobile bank	100 %	100 %
Naga Markets Australia Pty Ltd., Eastwood, Australia	Securities trading	100 %	100 %
NAGA Markets UK LTD., London, United Kingdom	Distribution company	100 %	100 %
NAGA X LTD., Limassol, Cyprus	Software development	100 %	100 %
NAGA X Europe OÜ, Tallinn, Estonia	Crypto trading	100 %	

## 4. ERROR CORRECTION

In the first half of 2021, NAGA capitalized expenses for the acquisition of new customers in the amount of kEUR 5,049 for the first time. A prerequisite for capitalization is that the expenses can be directly allocated to a new customer. In contrast, the Group also recognized expenses relating to existing customers as intangible assets. Consequently, the intangible assets were overstated. In the course of preparing the consolidated financial statements for fiscal year 2021, NAGA determined that not all payments made in the context of „affiliate marketing“ meet the requirement for capitalization of customer acquisition costs under IFRS 15.

The error relating to the first half of 2021 has been corrected by adjusting each of the affected items as follows for that half year:



## Consolidated balance sheet

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

The accounting policies used in these interim consolidated financial statements are largely consistent with those used in the most recent annual consolidated financial statements. A detailed description of the accounting policies is provided in the notes to the consolidated financial statements.

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 2022.

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 2022, the Group did not enter into any business relationships with related parties of a type and scope that exceeded those existing as of December 31, 2021 (see section 12. of the notes to the consolidated financial statements as of December 31, 2021).

#### d) Other estimation uncertainties

In addition, significant assumptions and estimates relate to the uniform determination of useful lives throughout the Group, 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 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 with the previous consolidated financial statements, which were explained there under Note 9.

## 6. 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 indicators of impairment exist. Since the fourth quarter of 2021, NAGA has substantially acquired NAGA Coin (NGC), which are accounted for as intangible assets if the NGC were acquired with the intent to invest. They are not subject to amortization.

Development costs of kEUR 3,913 (previous year: kEUR 1,243) 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 4,456 (previous year: kEUR 1,526) in the first half of 2022.

In addition, expenses for the acquisition of new customers in the amount of kEUR 1,429 (previous year adjusted kEUR 1,929) were capitalized in the first half of 2022.

In the first half of 2022, impairment losses of kEUR 11,995 (previous year: kEUR 0) were recognized on NGC held for investment. The carrying amount of these NGC amounts to kEUR 3,329 (previous year: kEUR 7,108) as of June 30, 2022.

The goodwill of the Brokerage cash-generating unit („CGU“) 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 fiscal year. The Group's

b) Trade receivables

c) Other current assets

in kEUR	30.06. 2022	31.12. 2021	Change
Short term investment	1,057	27,118	-26,061
Crypto Assets	93	599	-506
Receivables from customers	7,186	2,460	4,726
Accrued expenses	1,340	913	427
Overpayment	1,054	1,054	0
Value added tax claim	429	495	-66
Merchandise	312	316	-4
Credit at PayPal, Kraken account and credit card	81	57	24
Short-term loans	342	25	317
Deposit	0	0	0
Other	834	1,090	-256
<b>Total</b>	<b>12,728</b>	<b>34,127</b>	<b>-21,399</b>

e) Trade payables

f) Other current liabilities

g) Equity/dividends

## Authorized capital

By resolution of the Annual General Meeting of 11 October 2021, the Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital of Naga AG in the period up to 10 October 2026 once or several times by a total of up to EUR 23,127,446.00 by issuing up to 23,127,446 new registered no-par value shares against cash and/or non-cash contributions, whereby subscription rights may be excluded (Authorised Capital 2021). As of 30 June 2022, Naga AG has utilised the authorised capital in the amount of EUR 4,223,250.00.

## Conditional capital

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).

As of June 30, 2022, Naga AG has utilized the conditional capital in the amount of EUR 3,569,781.00.

The share capital of Naga AG is further conditionally increased by up to EUR 12,390,817.00 by resolution of the General Meeting of Shareholders of 11 October 2021 for the purpose of servicing the holders of convertible bonds and / or bonds with warrants issued on the basis of the authorisation resolution of the General Meeting of Shareholders of the same date by issuing up to 12,390,817 no-par value registered shares (Conditional Capital 2021).

## Treasury shares

As at 30 June 2022, the Group has no treasury shares.

## Dividends

No dividend payment is expected to be declared or made to shareholders for the 2022 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 space 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.

## 7. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the end of the reporting period.





# Interim Management Report

as of June 30, 2022



## as of 30 June 2022

As a result of the increase in the number of employees, personnel expenses rose sharply from kEUR 3,371 to kEUR 5,536.





As of the balance sheet date, current liabilities of kEUR 25,335 (previous year: kEUR 42,944) were covered by current assets and cash and cash equivalents.

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

in kEUR	30.06. 2022	31.12. 2021	Change
Equity	144,044	163,099	-19,055
plus medium and long-term debt	102	183	-81
less medium and long-term tied assets	118,812	120,339	-1,527
<b>Overfunding / underfunding</b>	<b>25,334</b>	<b>42,943</b>	<b>-17,609</b>

The medium and long-term tied assets are covered to 121% by the equity capital and the medium and long-term debts.

### c) Net assets of the Group

NAGA's net assets developed as follows in the first half of 2022.

in kEUR	30.06. 2021	31.12. 2020	Change
<b>Assets</b>	<b>152,495</b>	<b>177,369</b>	<b>-24,874</b>
Non-current assets	118,812	120,339	-1,527
Current assets	33,683	57,030	-23,347
<b>Liabilities</b>	<b>152,495</b>	<b>177,369</b>	<b>-24,874</b>
Equity	144,044	163,099	-19,055
Long-term debt	102	183	-81
Current liabilities	8,348	14,086	-5,738

The decline in non-current assets despite further high capitalisable investments in intangible assets is due in particular to the devaluations of crypto assets amounting to kEUR 11,995.

The decline in current assets is mainly due to the use of short-term cash investments to finance further investments in intangible assets and the establishment and expansion of new business areas.

Current assets of kEUR 33,683 (previous year: kEUR 57,030) include trade receivables of kEUR 1,626 (previous year: kEUR 1,557), cash and cash equivalents of kEUR 5,342 (previous year: kEUR 8,583). In addition, there are receivables from derivatives in the amount of kEUR 13,006 (previous year: kEUR 9,379) and short-term investments in the amount of kEUR 1,057 (previous year: kEUR 27,118).

As of June 30, 2022, current liabilities mainly include trade payables of kEUR 1,928 (previous year: kEUR 4,236) and provisions of kEUR 1,212 (previous year: kEUR 408).

## FORECAST, OPPORTUNITY AND RISK REPORT

### a) Forecast report

For fiscal year 2022, NAGA is adhering to the forecast made in the management report for fiscal year 2021, according to which the Executive Board expects a strong increase in revenues compared to the previous year as well as a moderate increase, but still negative EBITDA.

### 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 2021.

## CORPORATE BODIES OF THE COMPANY

### Executive 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, Managing Director

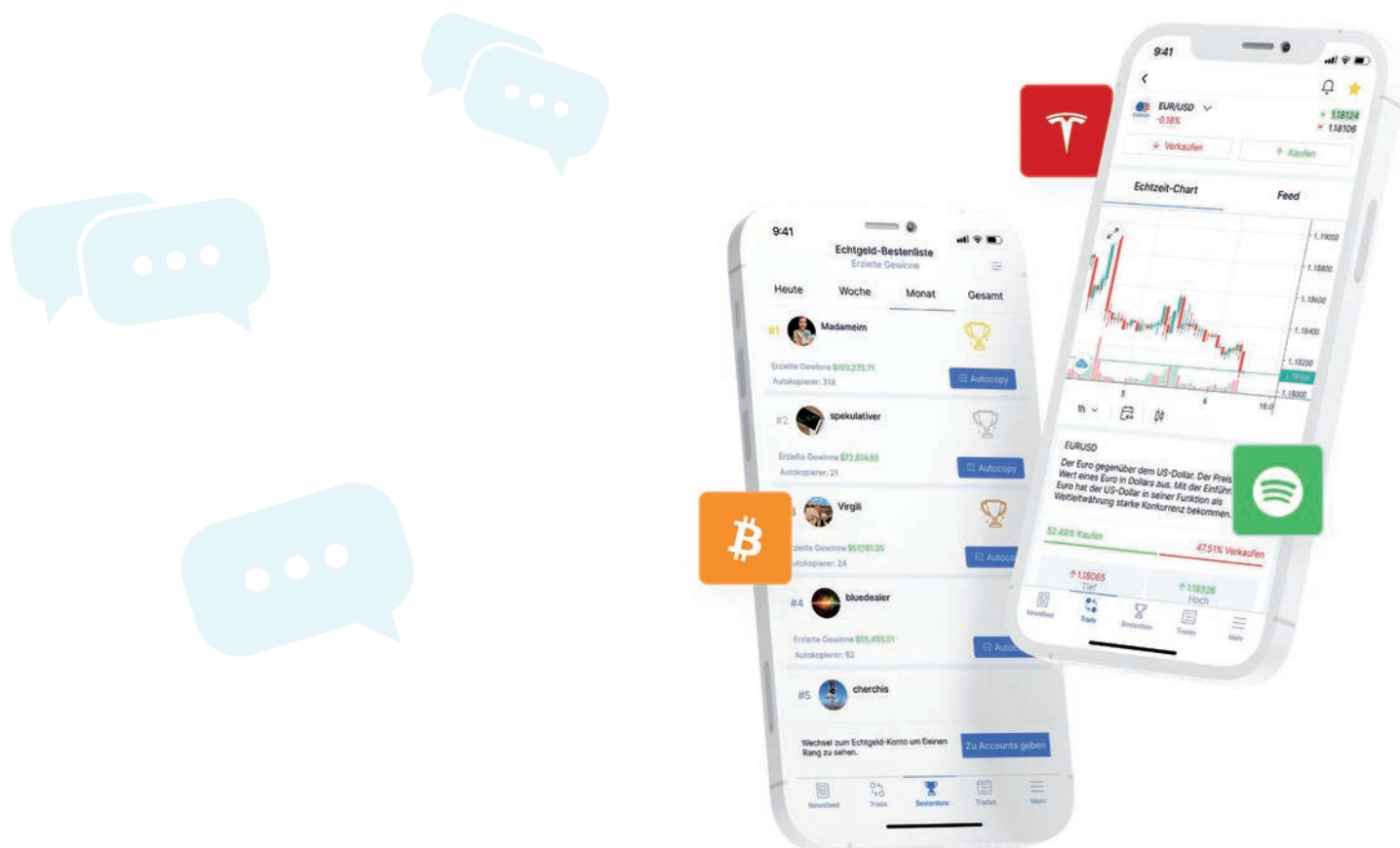
## Supervisory Board members

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,  
until December 16, 2022
- Mr. Robert Sprogies, Vaterstetten,  
Managing Director, until August 31, 2022
- Mr. Qiang Liu, Shanghai (China),  
Managing Director (Vice Chairman)
- Mr. Christian Angermayer, London  
(London (United Kingdom)), Managing Director,  
until August 4, 2022
- Mr. Richard Byworth, Zug (Switzerland),  
Managing Director, as of 16 December 2022

Hamburg, 22. December 2022

The NAGA Group AG  
- Board of Directors -



**Imprint**

The NAGA Group AG  
Hohe Bleichen 12  
20354 Hamburg  
Deutschland

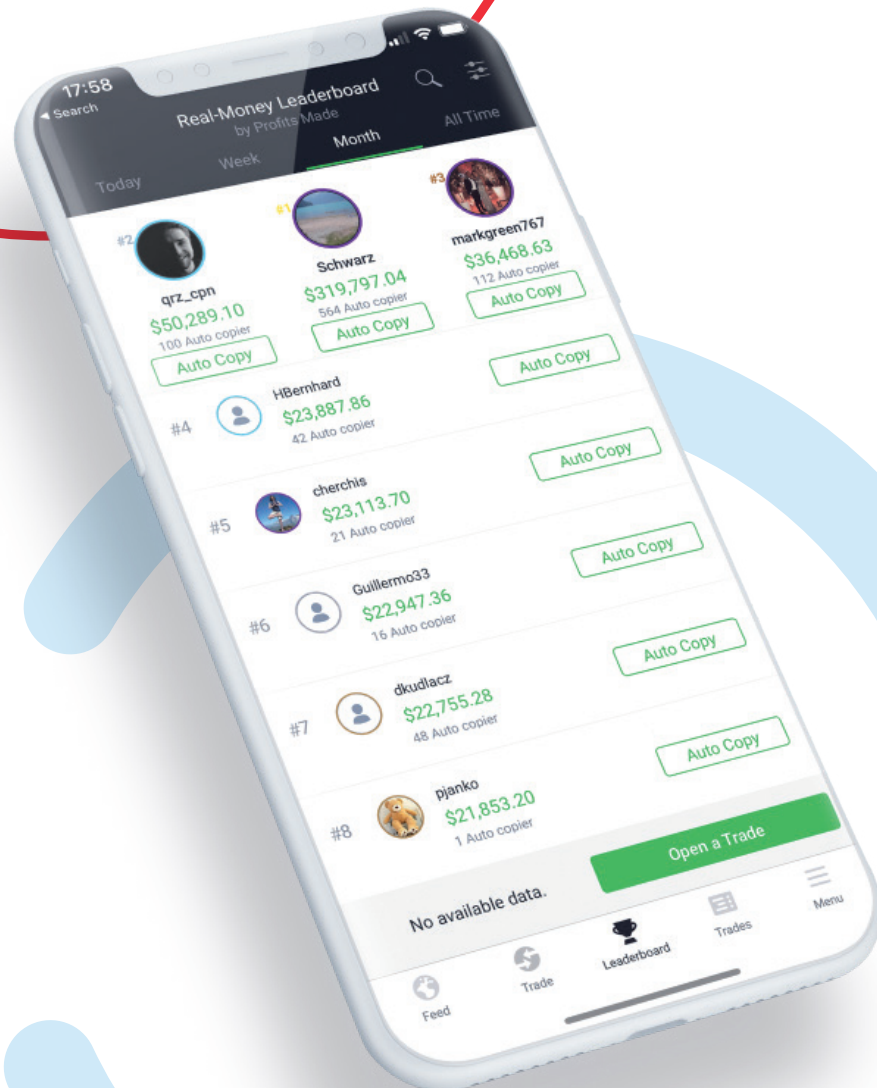
Phone: +49 40 52 47 79 153  
Email: [ir@naga.com](mailto:ir@naga.com)

**Financial calendar**

June 2023: Publication of the 2022 consolidated financial statements

**Layout**

[www.betriebsart.de](http://www.betriebsart.de)

**NAGA on the Web**

NAGA Homepage:  
Investor Relations:

<https://group.naga.com/de/>  
<https://group.naga.com/de/investor-relations/investment-thesis>

**Social Media**

NAGA Facebook:  
NAGA Twitter:  
NAGA YouTube:  
NAGA Instagram:  
NAGA LinkedIn:

<https://www.facebook.com/nagagroup/NAGA>  
<https://twitter.com/thenagagroup?lang=deNAGA>  
[https://www.youtube.com/channel/UCRa1cmTcH\\_BliXn5ShLDJewNAGA](https://www.youtube.com/channel/UCRa1cmTcH_BliXn5ShLDJewNAGA)  
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NAGA