

CONSOLIDATED HALF-YEAR REPORT

as of 30 June, 2022 NAGAACADEMY



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Foreword by the Management

Dear Shareholders, dear friends and supporters of NAGA,

The year 2022 is shaping up to be eventful and turbulent in many respects. After a very successful start to the year for NAGA, the rapid crypto slump has had a major impact on the overall group performance across all divisions in trading activities. In addition, NAGA had to reorient itself by withdrawing from the UK at the end of 2021 and strongly scale the European business, which was successfully achieved.

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.

Nonetheless, NAGA has managed to finish the first six months stronger than ever on the revenue side, although growth has not proved efficient in these market conditions. As a result, investor sentiment has also quickly shifted from revenue as well as growth to profit.

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.

NAGA's management reacted immediately and initiated a complete change of strategy and a consistent restructuring due to the changed market conditions. The core tasks of our restructuring represent the full concentration on our trading

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).

In the current second half of 2022, we were able to significantly improve our operating result on the basis of extensive cost reductions. We reduced marketing costs for all three of our products, NAGA Trader, NAGAX and NAGA Pay, and cut staff by around 20% across the Group. By completing our product offering, we were able to significantly reduce research and development costs for NAGAX and NAGA Pay, while also significantly reducing operating costs for both products. As a result, we have managed to reduce the cost base from EUR 20 million in Q1 2022 to EUR 12 million in Q4 2022. At the same time, cost per acquisition has decreased from EUR 1,609 at the peak of the year to EUR 613 now. We are focusing on the scientific evaluation of our customer structure data. The resulting improved conversion rates lead to lower costs per acquisition with the same lead base.

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

European business, which generated revenues of around EUR 2 million in 2021, increased rapidly to over EUR 24 million in the course of 2022. Germany is currently the main sales market for NAGA. From 2023 onwards, we expect significant revenue contributions from the re-entry into the UK market (more on this later).

With these measures, we are strengthening NAGA's position in a very difficult market for neobrokers. NAGA is growing in operations and today operates three fully developed product areas with NAGA Trader, NAGAX and NAGA Pay. With NAGA Pay and NAGAX, we offer a complete neo-banking platform and crypto ecosystem.

2023: Full focus on improving our earnings ratios

However, strategy changes take time. While the annual financial statements for 2022 will still reflect short-term negative effects, we are very confident that we will be able to achieve visible improvements in earnings in 2023. Very specifically, we want to bring the NAGA Group into the profit zone by the second quarter of 2023.

We want to achieve this by no longer aiming for aggressive sales growth but for generating stable and reliable profits. While improving the efficiency of our marketing and sales, we aim to increase our annual sales by at least 25% and further significantly reduce our costs compared to 2022.

In 2023, NAGA UK, NAGA Capital Seychelles and the launch of the NAGA Institutional Desk for volume traders are our growth projects

Central to our growth objectives is the targeted re-entry into the UK market. By year-end 2021, we had exited the UK - NAGA's best market to date and also the largest CFD market in the world - and had to reallocate budgets to other countries, resulting in various inefficiencies (including an increase in customer acquisition costs). We aim to re-enter the UK market and reactivate our existing customer base by Q2 2023. This will enable us to achieve immediate EBITDA effects at minimized costs.

Thanks to our just granted license in the Seychelles for NAGA Capital, we can now grow stronger outside Europe. With increasing B2B business, we can now offer multiple payment processors, which are essential in many markets such as Latin America or Southeast Asia. NAGA has already been able to build up a lot of customer interest there, which can

be monetized thanks to the license and the newly available methods. The business outside Europe offers strong growth opportunities, as acquisition costs are lower and profitability per customer is significantly higher compared to Europe.

At the beginning of 2023, we will introduce the NAGA Institutional Desk for volume traders, which will allow us to offer other brokers, high-frequency desks and prop trading. This will allow us to generate stable volume-based revenues in the future.

Thank you for your trust in NAGA - here's to a successful 2023

2022 was also a difficult and exhausting year for our shareholders, which required strong stamina from all of us. We would like to take this opportunity to thank all of NAGA's companions, supporters, customers and shareholders for your loyalty to us and your trust in NAGA.

Rest assured that we are also keeping an eye on the recent weak performance of our share. The NAGA management team, which also recently increased its holdings at the end of 2021 and beginning of 2022 at prices of EUR 6 to 8, believes in NAGA. The restructuring initiated in 2022 is due to changing market conditions and not to fundamental deficiencies in our operations. Today, NAGA has the strongest product and customer portfolio ever and thus the potential to transform a high-growth FinTech into a profitable and still innovative company.

We would also like to apologise for the late publication of this half-year report. The delay unfortunately builds on the annoying delays in the 2021 annual audit, largely caused by the complexity of the audits, adjustments and resource bottlenecks on the audit side. For the 2022 financial year, the Annual General Meeting on 16 December 2022 elected a new auditor. With MSW GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft from Berlin, we have an auditor at our side who has excellent references in the area of listed growth companies. We expect a significantly improved cooperation in the audit of the financial statements in the future with timely publication of our financial statements.

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.

Consolidated Half-Year Report as of June 30, 2022 +

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

With kind regards

The Board of Directors

Benjamin Bilski

Andreas Luecke

Michalis Mylonas

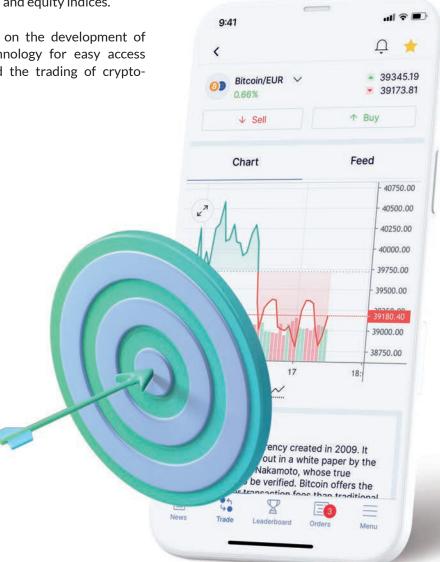


Object of the company

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

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Half-Year Consolidated Balance Sheet

as of June 30, 2022

	30.06.2022 kEUR	31.12.2021 kEUR
SETS		
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
Total non-current assets	118,812	120,339
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
Total current assets	33,683	57,030
Total assets	152,495	177,369

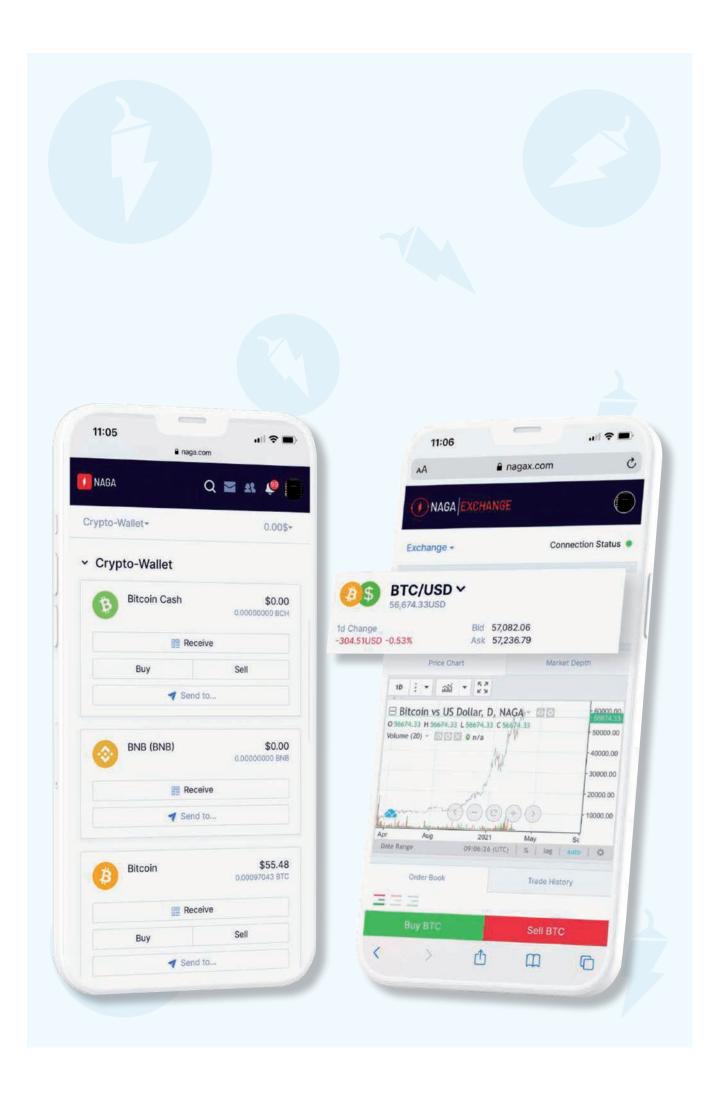
	30.06.2022 kEUR	31.12.2021 kEUR
ABILITIES		
Equity		
Subscribed capital	54,048	54,048
Capital reserve	151,943	151,943
Balance sheet result	-60,940	-41,877
Currency conversion	-8	-7
Equity attributable to the shareholders	445.042	4/440/
of the parent company	145,043	164,106
Non-controlling interests Total equity	-999 144,044	-1,007 163,099
Long-term debt		
Deferred tax liabilities	102	183
Total non-current liabilities	102	183
Current liabilities		
Accounts payable trade	1,928	4,236
Liabilities to shareholders	0	48
Other current liabilities	4,710	8,411
Leasing liabilities	100	0
Liabilities from derivatives	399	982
Other provisions	1,212	408
Total current liabilities	8,348	14,086
Total liabilities	8,450	14,269
Total equity and liabilities	152,495	177,369



Consolidated Statement of Comprehensive Income

from January 1 to June 30, 2022

Trom January 1 to June 30, 2022		
	01.01 30.06.2022 kEUR	01.01 30.06.2021 kEUR
	KEOK	adjusted
Trading revenues	35,018	23,219
Revenues	35,018	23,219
Captialized programming services	3,913	1,243
Total output	38,932	24,461
Direct expenses of trading income	3,607	1,968
Trading costs	333	962
Gross income	34,992	21,531
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
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-2,742	-167
Depreciation	3,897	1,782
Devaluation of long-term crypto assets	11,995	0
Operating result (EBIT)	-18,634	-1,950
Financial income	10	1
Financial expenses	512	458
Earnings before taxes (EBT)	-19,137	-2,407
Income taxes (expense (+) / income (-))	-82	345
Result for the period	-19,055	-2,753
Equity difference from currency translation	0	-12
Overall result for the period	-19,055	-2,765
Of the net profit for the period profit attributable to		
Shareholders of the parent company	-19,063	-2,752
Non-controlling interests	8	-1
Of the overall result for the period attributable to		
Shareholders of the parent company	19,063	-2,764
Non-controlling interests	8	-1
·		
Earnings per share in EUR	0.05	001
Undiluted	-0,35	-0,06
Diluted	-0,35	-0,06



Consolidated Statement of Changes in Equity

from 1 January to 30 June 2022

	Subscribed Capital	Capital reserve	Balance sheet result	
	kEUR	kEUR	kEUR	
As of 31.12.2020 (adjusted)	42,050	100,632	-26,821	
Cash capital increase	8,428	48,065	0	
Costs of the capital increase	0	-2,926	0	
Conversion of convertible bonds	3,570	6,172	0	
Reduction in equity from sale of treasury shares		0	-4,927	
Disposal of treasury shares from sale		0	0	
Result for the period/overall result for the period 01.01.2021 - 31.12.2021	0	0	-10,130	
As of 31.12.2021	54,048	151,943	-41,877	
Result for the period/overall result for the period				
01.01.2022 - 30.06.2022	0	0	19,063	
As of 30.06.2022	54,048	151,943	-60,940	

Currency translation reserve kEUR	Equity attributable to shareholders of the parent company kEUR	Non-controlling interests kEUR	Treasury shares kEUR	Total kEUR
	115,862	-382	-5,525	109,952
0	56,493	0	0	56,493
	-2,926	0	0	-2,926
	9,742	0	0	9,742
0	-4,927	0	0	-4,927
0	0	0	5,525	5,527
	-10,137	-624	0	-10,761
	164,106	-1,007	0	163,099
	-19,064	8	0	-19,056
-8	145,043	-999	0	144,044

Consolidated Cash Flow Statement

from January 1 to June 30, 2022

	01.0130.06.2022 kEUR	01.0130.06.2021 kEUR
Operating cash flow		
Earnings before income taxes	-19,137	-2,407
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
	-791	-167
Cash flow before changes of net current assets		
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
Operating cash flow	-15,031	-2,804
Cash flow from investing activities		
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
Investing cash flow	11,816	-3,524
Cash flow from financing activities		
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
Financing cash flow	-26	6,778
Net increase in cash and cash equivalents	-3,241	449
Cash and cash equivalents at the beginning of the period	8,583	5,233
Cash and cash equivalents at the end of the period	5,342	5,683

Condensed Notes to the Consolidated Financial Statements

as of June 30, 2022



Condensed Notes to the Consolidated Financial Statements

as of June 30, 2022

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 were listed on the open market (Freiverkehr) in the "Scale" segment of the Frankfurt Stock Exchange until 7 October 2022. Since 7 October 2022, the shares of Naga AG have been included in the Basic Board segment of the Open Market.

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

While the first half of 2022 was successful for NAGA in its core business, the development of the new business unit NAGA X was affected by the downturn in the crypto markets, which had a negative impact on the result for the reporting period.

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 GAS 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 informa-

tion 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 2022 compared to the financial year 2021 in that NAGAX Europe OÜ has been added to the scope of consolidation. NAGAX Europe operates the Web3 crypto social trading platform for cryptocurrencies and NFTs, which was launched in 2022. It has a subordinate influence on the financial position, net assets and results of operations of the Group.

Overview of the scope of consolidation of NAGA as of 30 June 2022

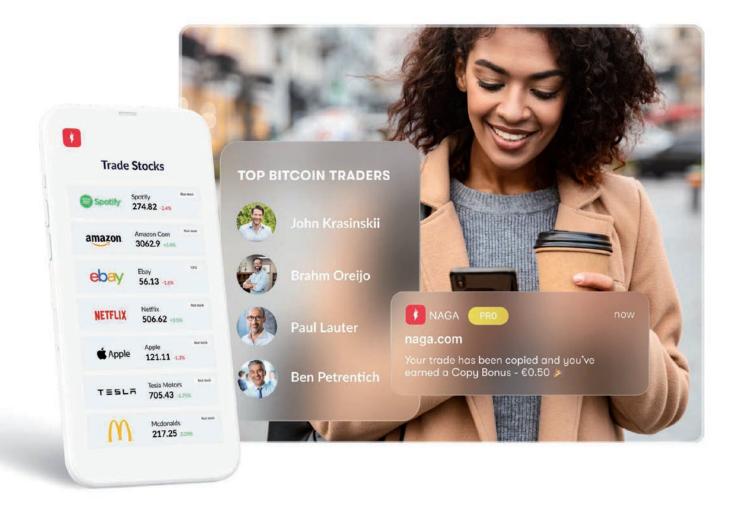
	Main		<u>oldings</u>
Company	business activity	30.06. 2022	31.12. 2021
The Naga Group AG,			
Hamburg (parent	Holding of		
company)	investments	-	-
NAGA Markets			
Europe Ltd.,	Securities		
Limassol, Cyprus	trading	100 %	100 %
Naga Technology	Software		
GmbH, Hamburg	development	100 %	100 %
Naga Virtual GmbH,	Software		
Hamburg	development	100 %	100 %
Hanseatic			
Brokerhouse			
Securities AG	Distribution		
(HBS), Hamburg	company	72,16 %	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,	Distribution		
Lagos, Nigeria	company	99 %	99 %

Company	Main business activity	Shareho 30.06. 2022	
NAGA FINTECH			
CO., LTD., Bangkok,	Distribution		
Thailand	company	100 %	100 %
Naga Pay GmbH,	mobile		
Hamburg	bank	100 %	100 %
Naga Pay UK Ltd.,			
London, United	mobile		
Kingdom	bank	100 %	100 %
Naga Markets			
Australia Pty Ltd.,			
Eastwood,	Securities		
Australia	trading	100 %	100 %
NAGA Markets			
UK LTD., London,	Distribution		
United Kingdom	company	100 %	100 %
NAGA X LTD.,	Software		
Limassol, Cyprus	development	100 %	100 %
NAGA X Europe	Crypto		
OÜ, Tallinn, Estonia	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:





in kEUR	before adjustment	Correction	after adjustment
Consolidated balance sheet			
Intangible assets	116,226	-2,231	113,995
Balance sheet result	-25,490	-2,231	-27,721
Balance sheet total	139,070	-2,231	136,839
Consolidated statement of comprehensive i	ncome		
Marketing and advertising expenses	10,745	3,129	13,874
Earnings before interest, taxes, depreciation amortization (EBITDA)	and 2,962	-3,129	-167
Depreciation	2,680	-898	1,782
Result for the period	-522	-2,231	-2,753
Overall result	-534	-2,231	-2,765
thereof attributable to			
Shareholders of the parent company	-532	-2,231	-2,764
non-controlling interests	-1	0	-1
Consolidated Cash Flow Statement			
Operating cash flow	325	-3,129	-2,804
Payments for investments in intangible asset	s -6,513	3,129	-3,384
Investing cash flow	-6,653	3,129	-3,524
Earnings per share			
Undiluted earnings per share (in EUR)	-0.03	-0.03	-0.06
Diluted earnings per share (in EUR)	-0.03	-0.03	-0.06

The adjustment had no impact on other comprehensive income or financing cash flows in the first half of 2021.

5. 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 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.

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 2022.

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 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



three-year business plan served as the basis. The method and assumptions are explained in Note 4. a) to the 2021 consolidated financial statements. There are no indications of an impairment of goodwill in the meantime.

b) Trade receivables

Trade receivables are recognized at nominal value and amount to kEUR 1,626 (previous year: kEUR 1,557) as of June 30, 2022. Thereof, kEUR 1,446 (previous year: kEUR 1,446) 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 12,728 (previous year kEUR 34,127) are composed as follows:

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
Accured			
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
Total	12,728	34,127	-21,399

d) Cash and cash equivalents

Cash and cash equivalents consist exclusively of bank balances of kEUR 5,342 (previous year: kEUR 8,583) 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 3,420 (previous year: kEUR 5,302) are deposited with liquidity providers.

e) Trade payables

Trade payables amount to kEUR 1,928 (previous year kEUR 4,236) and have a maximum term of one year.

f) Other current liabilities

Other current liabilities amount to kEUR 4,707 (previous year: kEUR 8,411) and mainly include customer deposits, VAT liabilities and wage and salary liabilities.

g) Equity/dividends

As of June 30, 2022, the subscribed capital ("share capital") amounts to EUR 54,047,924 (previous year: EUR 54,047,924) and is divided into 54,047,924 (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 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.

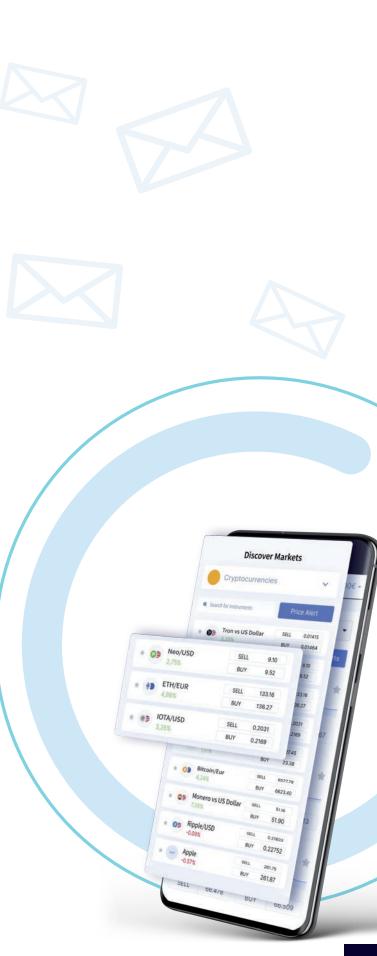
h) Leasing

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

Interim Management Report

as of 30 June 2022

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 ("GAS") 16. All report contents and disclosures relate to the reporting date of 30 June 2022.

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 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

In the first half of 2022, as in the previous year, NAGA generated a negative EBITDA of kEUR -2,742 (previous year adjusted kEUR -167). Despite the significant increase in revenues, the result for the period in the first half of 2022 is strongly negative at kEUR -19,055 (previous year adjusted kEUR -2,753) due to high marketing and advertising expenses and the write-downs of crypto assets totaling kEUR 13,947 (previous year: kEUR 0).

Mainly due to the withdrawal from the UK market at the end of 2021, the number of transactions in the first half of 2022 fell to 4.2 million and the trading volume to around EUR 69 billion compared to the same period of the previous year (previous year: 5.7 million real money trades with a trading volume of EUR 132 billion).

NAGA manages client assets of EUR 24 million as of June 30, 2022 (previous year: EUR 33.5 million).

The number of active customers decreased from 19,233 at December 31, 2021 to 17,382 at June 30, 2022. This represents a decrease of 1,851 active customers or 9.6% 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 2022. The high loss is due in particular to the write-downs of crypto assets as well as investments in marketing and advertising activities, which are expected to lead to higher revenues and thus better results for the period in future periods.

Trading revenues

Revenue generated from brokerage business amounted to kEUR 35,018 (previous year: kEUR 23,219). Of this amount, Naga Markets accounted for kEUR 18,643 (previous year: kEUR 2,755), Naga Global accounted for kEUR 15,122 (previous year: kEUR 20,464), and crypto asset trading accounted for kEUR 1,253 (previous year: kEUR 0). The strong increase in trading revenue was mainly due to the increase in revenue per transaction, which is attributable to the greater geographical diversification of the customer base compared to the same period of the previous year and the high volatility on the financial markets in the reporting period.

Capitalized programming services

The capitalized programming services amount to kEUR 3,913 (previous year: kEUR 1,243) and are mainly attributable to the Naga Trader application.

Personnel expenses

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



Other operating expenses

Other operating expenses of kEUR 5,303 (previous year kEUR 2,947) are composed as follows:

in kEUR	01.0130.06. 2022	01.0130.06. 2021
Legal and consulting fees	2,577	1,644
Rental and license expenses	704	460
Web services	843	324
Third-party services	0	1
Travel expenses	181	52
Other	998	465
Total	5,303	2,947

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 3,897 (previous year: adjusted kEUR 1,782) mainly relate to capitalised customer acquisition costs of kEUR 1,192, Swipy technology of kEUR 635, Naga Trader of kEUR 1,449 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 38k (previous year: kEUR 61) was incurred.

EBITDA development

Despite the expected growth in revenues, EBITDA decreased compared to the same period of the previous year. The reason for this is the increased marketing and advertising expenses, which form the basis for the further growth of the Group, as well as the devaluation of crypto assets held for trading purposes in the amount of kEUR 1,951. In addition, personnel expenses were higher as a result of further hiring.

Result for the period

The negative result for the period amounts to kEUR -19,055 (previous year adjusted kEUR -2,753). The result for the period is negatively influenced to a significant extent by devaluations of crypto assets held for investment purposes in the amount of kEUR 11,995.

b) Financial position of the Group

Neither the subscribed capital nor the capital reserve changed in the first half of 2022.

The capital structure of the Group is as follows:

in%	30.06. 2022	31.12. 2021	Change
Equity ratio	94.5	92.0	2.5
Debt ratio	5.5	8.0	-2.5
Debt to equity ratio	5.9	8.7	-2.9

The Group's cash flows developed as follows in the first half of 2022:

in kEUR	30.06.2022	30.06.2021
Operating		
cash flow	-15,031	-2,804
Cash flow from		
current investing		
activities	11,816	-3,524
Cash flow from		
current financing		
activities	-26	6,778
Finanzmittel-		
bestand am Anfang		
der Periode	8,583	5,233
Cash and cash		
equivalents at the		
end of the period	5,342	5,683

Cash and cash equivalents decreased by kEUR 3,241 to kEUR 5,342 in the first half of 2022.

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

in kEUR	30.06. 2022	31.12. 2021	Change
Payment	5,342	8,583	-3,241
less current			
fliabilities	8,348	14,086	-5,738
Subtotal	-3,006	-5,503	2,497
plus current			
assets	28,341	48,447	-20,106
Overfunding /			
underfunding	25,335	42,944	-17,609

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
Overfunding / underfunding	25,334	42,943	-17,609

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
Assets	152,495	177,369	-24,874
Non-current	110.010	120.220	1 507
assets	118,812	120,339	-1,527
Current assets	33,683	57,030	-23,347
Liabilities	152,495	177,369	-24,874
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

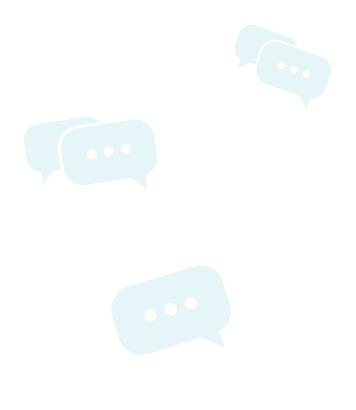
The following persons were or are appointed as members of the Supervisory Board:

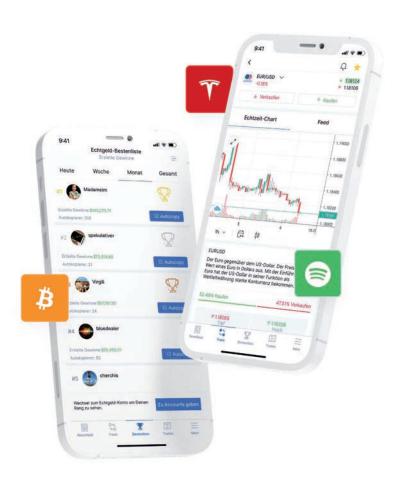
- Mr. Harald Patt, Friedrichsdorf, Managing Director, (Chairman)
- Mr. Hans-Jochen Lorenzen, Hamburg, Certified Public Accountant/Tax Consultant, until December 16, 2022
- Mr. Robert Sprogies, Vaterstetten, Managing Director, until August 31, 2022
- Mr. Qiang Liu, Shanghai (China),
 Managing Director (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

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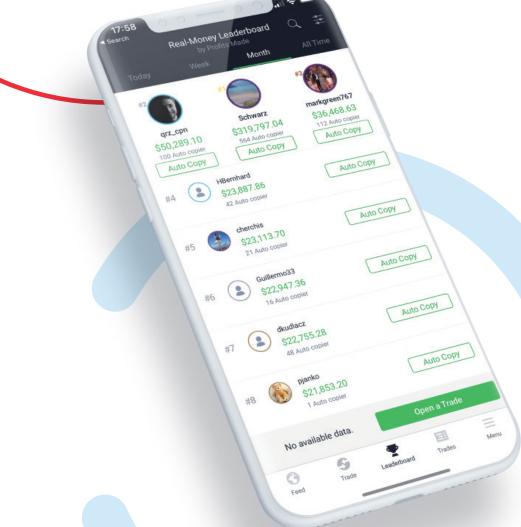
Email: ir@naga.com

Financial calendar

June 2023: Publication of the 2022 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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