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## 23/11/2018 - GBC Management interview with Yasin Qureshi, Board member of the The Naga Group AG

Company: The Naga Group AG<sup>\*5a,5b,11</sup>

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*\*catalogue of potential conflicts of interests on page 6*

The NAGA Group AG (NAGA) has had a positive news flow following the 2017 IPO in the scale segment of the Frankfurt stock exchange. The company has strongly promoted the development of its own product ecosystem and is now launching another product offensive. The main product NAGA Trader, a fast-growing social network for traders, is accompanied by NAGA's online broker, NAGA Markets, with NAGA Exchange and NAGA Guard products now following suit. Using strong customer growth, the company has published strong sales and earnings growth with its recently published half-year figures for 2018. GBC analyst Dario Maugeri spoke with Yasin Sebastian Qureshi, Management Board member of The NAGA Group:

**Dario Maugeri: Could you give us a closer look at The NAGA Group AG's product ecosystem and, in particular, its USP?**

**Yasin Sebastian Qureshi:**

We are a listed finance and fintech company that focuses on trading, transactions, virtual goods trading and cryptocurrencies. All of our products and our ecosystem mainly focus on enabling our customers to receive everything from one source, with all applications being networked together using a “single sign-in” function:

- One core product of the company is the social trading network, **NAGA Trader**, an app that pairs social media with stock market trading. Investors can discuss investments, investment decisions and strategies and, above all, follow others. Anyone can know everything that a particular trader trades and owns, for instance. A trader can participate, if desired, and also act on the behalf of others. The trader receives a bonus if their portfolio is strong.
- The **NAGA Wallet** summarises all services and products of the company. Virtual goods and currencies are stored, transferred and cleared, primarily through our in-house cryptocurrency NAGA Coin (NGC), which plays a key role in the NAGA ecosystem as an accounting currency and provides easy access to the entire NAGA Universe (as well as attractive benefits).
- **NAGA Virtual** is a cross-vendor trading platform for virtual goods, especially for the so-called in-game items, which is a billion dollar market. It started in the summer of 2018 with a beta version. NAGA Virtual enables you to trade items from games in a fair, safe and legal environment – something that is totally new. Trading in the marketplace is as easy as using eBay, for instance, and items can also be purchased without the game. Players trade with each other or buy directly from the publishers, who now benefit from primary and secondary markets. All items are secured in a shared ecosystem with the publisher. This means that they cannot be duplicated, sto-

len or manipulated. Universal networking is also a specific USP: Our application is cross-vendor and works on all devices, and we have also linked it to other financial applications in our universe. After all, sometimes even large sums of money change owners and these can now be instantly reinvested, for instance, in equities.

**Dario Maugeri: You have now launched another product offensive. What were the most important recent product developments and what can we expect to see soon?**

**Yasin Sebastian Qureshi:**

Publishing completely new products and revising existing applications go hand in hand, and with a lot of this ongoing, the list would be endless. Here is the selection of the most important innovations:

Since November, the **NAGA Exchange** has been available to existing NAGA customers as a “closed beta version” under the domain [www.nagax.com](http://www.nagax.com). The NAGA Exchange is one of the fastest in the world and can process more than ten million transactions per second. The underlying IT is scalable on a multi-regional level and has proven successful over the last two years in processing billions of transactions under maximum load. In addition, NAGA Exchange will have its own API (Application Programming Interface) for automated trading and will be an integral part of the NAGA Crypto SDK. SDK stands for Software Development Kit, which will enable all financial services companies in the world to make their own business blockchain-enabled with little effort. In this way, for example, a payment service provider can become a partner to us and help its customers exchange funds for cryptocurrencies with one click – without having to build a complex blockchain backend themselves.

With our flagship product, the **NAGA Trader**, alongside traditional trading in equities, cryptocurrencies and financial products, it is possible to settle via a Robo-Advisor (NAGA CYBO). The desktop version of NAGA Trader has also been completely redesigned: The NAGA Web Trader was released in June and now has a completely new interface. The input masks are more understandable and everything is now much easier, thus improving the overall usability. The NAGA Trader platform is available in 180 markets, i.e. countries and territories from which one can trade. Almost all countries of the world are now connected to the NAGA network.

In addition, we have installed **NAGA Guard**, available within NAGA Exchange or directly accessible at [www.naga-guard.com](http://www.naga-guard.com). An overview of prices can now be accessed on a single platform, instead of finding different websites for the relevant cryptocurrencies. NAGA Guard analyses each crypto asset thoroughly and offers users risk assessments, liquidity information and information on suspicious market activities. NAGA Guard is connected to various interfaces and has first-hand data.

**NAGA Card** is now live and has already been delivered to many clients. With NAGA Card, payments can be made to every business in the world which accepts MasterCard. In addition, NAGA Card also enables classic currencies, so-called fiat money, to be sent and received via a personal IBAN to the national bank. This is possible with the equivalent of a bank account at NAGA – but with the additional options of incorporating digital currencies, accessing financial markets and receiving virtual trade in goods as well as bonuses for everything.

This massive NAGA innovation offensive is rounded off by two other innovations: With **NAGA Crypto Beam**, all usual crypto pairings (i.e. the ratio of two cryptocurrencies) can be exchanged for the best market prices in real time with just a touch of a button. The

swift and user-friendly transaction is carried out in the background via the NAGA Exchange.

Improvements have also been made to the **NAGA Wallet**. The update offers, among other things, a leaner and slicker design and improved process for purchasing NAGA Coins (NGC) in just a few steps – and all this without overpriced fees.

**Dario Maugeri: You have received a lot of money via the initial public offering and indirectly from NAGA Coin. How much of this have you already invested in the development of your products and how much is yet to be invested until your products are market-ready?**

**Yasin Sebastian Qureshi:**

As a technology company, we actually continuously invest in new products, as well as in the development of existing ones. In addition, we have still not budgeted for all investments in new products that are already planned. Against this background, it is difficult to provide exact information on our existing and future development costs. As you can see from our published financial statements, we invest millions annually in the development of our products.

**Dario Maugeri: What measures are you taking to secure the highest possible number of customers and to achieve a high level of customer loyalty?**

**Yasin Sebastian Qureshi:**

All of our services have one thing in common and that is that they are uncomplicated, intuitive and easily accessible. In this way, not only do we attract professionals and experienced traders, but we also introduce newcomers to financial transactions. Our customers can always expect new digital financial services along with the updates described above, which have better and more intuitive functions. Other financial innovations are always in the pipeline. In addition – another important factor for customer loyalty – all our platforms and websites have a uniform appearance and an identical design with the core “NAGA” brand.

NAGA has also heavily invested in customer marketing and, at the beginning of the current German national football league season, entered into a cooperation with SKY MEDIA which also covers the UEFA Champions League. The commitment supplemented the sponsorship that also began at the beginning of the season at Hamburger SV, where NAGA is an exclusive partner and trading partner. Using all these measures, awareness of our company has significantly improved.

**Dario Maugeri: In your half-year results, your income and results have already increased significantly. And you expect further strong growth. What was the basis for this successful development in the half-year and what is your outlook?**

**Yasin Sebastian Qureshi:**

All the things that I just mentioned have already led to more positive figures and a pleasing outlook. It is a combination of the extensive product portfolio that includes many innovations and the increased marketing activities – throughout the world. We are now considerably larger and can better attract the target group or tap into other target markets, especially in Asia and Eastern Europe. Of course, all improvements in the usability of our applications should, on balance, increase conversions and turnover.

**Dario Maugeri: In conclusion, what else can you add about your vision of creating a unique platform for trading financial instruments and virtual items? Where do you see The NAGA Group AG in five years' time?**

**Yasin Sebastian Qureshi:**

The revolutionary change – in particular driven by blockchain and cryptocurrencies – will continue to progress. We want to actively shape the necessary upheavals to the financial market and continue to constantly develop our services. We are driven by the vision that our customers around the world can process all their financial needs under one roof. It is also important to us that all applications and services are linked. Through the direct interaction we have with our customers, who are often also shareholders, we ensure that we are tuned in to the target group. We do not offer stand-alone solutions, but a complete universe, including a separate cryptocurrency – and we will always continue to build on this for new application areas.

**Dario Maugeri: Mr Qureshi, thank you for the interview.**

## ANNEX

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