

Sandpiper Digital Payments AG

Interim Financial Statements

as per 30 June 2021



Financial review

Environment

Sandpiper Digital Payments AG (“Group”, “SDP” or “SANDPIPER”), www.sandpiper.ch, is a stock-listed technology holding company based in St. Gallen, Switzerland. SANDPIPER focused on the consolidation of the fragmented payment landscape in Europe in the area of digital payments, access control and identity management. Sandpiper Digital Payments AG’s shares are listed on Berne Stock Exchange (BX Swiss).

SANDPIPER was a multi-application platform provider enabling mobile commerce, proximity marketing and loyalty, as well as digital payments based on strong digital security services and technologies. The platform combined easy-to-use hard- and software, apps and management solutions for universities, libraries, events, festivals, municipalities, fleet, transport and mobile network operators. After the disposal of InterCard AG Informationssysteme, SANDPIPER focuses on:

- Software engineering
- Security consulting
- Security products.

SANDPIPER’s security consulting covers the identification, assessment and remediation of corporate IT risks, weaknesses and vulnerabilities. Further SANDPIPER resells and integrates own products as well as security solutions of established vendors.

Business year

The Annual General Meeting decided on 25 June 2021 to drastically reduce the company's debt by offsetting with InterCard AG Informationssysteme shares. The resolution was implemented immediately. The offset with InterCard AG Informationssysteme shares led to the deconsolidation as of 30 June 2021. The disposal of InterCard AG Informationssysteme led to an income of net EUR 0.6 million.

After the disposal of InterCard AG Informationssysteme, only the subsidiaries Ergonomics AG and e24 AG remain in the scope of consolidation. The balance sheet total of the SANDPIPER Group is therefore significantly reduced from EUR 15.4 million to EUR 3.8 million.

The operating business developed positively. Ergonomics AG and e24 AG were able to increase sales by EUR 0.2 million.

The sold IDpendant GmbH and the InterCard Group were not able to maintain the previous year's turnover level. Due to the pandemic-related closures of the universities, turnover was EUR 1.2 million lower.

e24 AG sold its parking division and was thus able to achieve a profit of EUR 0.2 million.

Key figures:

EUR	30.06.2021	31.12.2020	Change
Total assets	3'826'266	15'414'776	-75.2%
Shareholders equity attributable to SDP shareholder	335'906	-4'082'301	108.2%
Shares outstanding	208'325'028	208'325'028	0.0%
NAV per share	0.00	-0.02	108.2%

EUR	01.01.2021 30.06.2021	01.01.2020 30.06.2020	Change
Operating income	13'375'188	14'305'080	-6.5%
Earnings before interests and taxes (EBIT)	132'229	230'988	-42.8%
Earnings before interests, taxes, depreciation and amortization (EBITDA)	665'895	814'416	-18.2%
Net result attributable to SDP shareholder	604'690	-446'312	235.5%
Basic earnings per share	0.00	0.00	
Diluted earnings per share	0.00	0.00	

Shareholders' equity attributable to SDP shareholder significantly increased and is now positive. This positive development is based on the recycling of the InterCard goodwill of EUR 3.8 million and the profit attributable to Shareholders of Sandpiper Digital Payments AG in the amount of EUR 0.6 million.

The number of shares issued is unchanged 211'695'028. The treasury shares reduce the shares outstanding to 208'325'028.

The disposal of InterCard AG Informationssysteme led to an income of net EUR 0.6 million.

Outlook

After the disposal of InterCard AG Informationssysteme and the parking business of e24 AG consolidated revenues will decline significantly in the second semester 2021.

Ergonomics AG plans to repurchase the 20% minority shareholding in e24. After this transaction e24 AG will be a 100% subsidiary again.

The Board of Directors has discussed several times in its meetings and decided that Sandpiper should continue with its operative business. Consequently, despite the sale of existing investments, the company has constantly kept an eye out for further options. In recent months, there have been negotiations with various companies and investors who wanted to participate in SANDPIPER or who wanted to contribute new participations to SANDPIPER. These included a large e-commerce company, a client from Bulgaria, and an infrastructure investment group from Southeast Asia. The aim of these potential partners is to work with SANDPIPER to build a Swiss-domiciled, listed platform to further manage their investments.

In the meantime, negotiations with the infrastructure investment group from Southeast Asia have taken on more concrete form. This is the Raffles Financial Group from Singapore. After signing a non-binding letter of intent, Raffles commissioned a feasibility study, which is now available and forms the basis for further negotiations. For Raffles the objective is to contribute selected profitable and dividend-generating activities in Southeast Asia to SANDPIPER by way of a contribution in kind and to obtain a majority position within SANDPIPER after issuing 700 million new shares.

Consolidated balance sheet of Sandpiper Digital Payments AG

Assets

EUR	30.06.2021	31.12.2020	Change
Cash and cash equivalents	1'325'732	4'656'532	-71.5%
Trade receivables	948'919	2'275'982	-58.3%
Other short term receivables	111'994	1'874'840	-94.0%
Inventories	228'694	2'697'852	-91.5%
Prepayments and accrued income	69'794	30'224	130.9%
Total current assets	2'685'133	11'535'431	-76.7%
Property, plant and equipment	151'693	511'950	-70.4%
Financial assets	370'270	692'436	-46.5%
Intangible assets	557'964	2'612'444	-78.6%
Other non-current assets	61'206	62'516	-2.1%
Total non-current assets	1'141'133	3'879'345	-70.6%
TOTAL ASSETS	3'826'266	15'414'776	-75.2%

Equity and liabilities

EUR	Notes	30.06.2021	31.12.2020	Change
Financial debts		126'126	7'477'947	-98.3%
Trade payables		1'140'449	1'239'059	-8.0%
Other liabilities		96'236	1'182'134	-91.9%
Provisions		277'127	1'672'107	-83.4%
Accrued expenses		680'368	1'501'846	-54.7%
Total current liabilities		2'320'307	13'073'092	-82.3%
Financial debts		1'037'837	3'610'926	-71.3%
Provisions		0	798'429	-100.0%
Total non-current liabilities		1'037'837	4'409'355	-76.5%
Total liabilities		3'358'143	17'482'447	-80.8%
Share capital		1'661'554	1'661'554	0.0%
Capital reserves		-177'603	-175'385	-1.3%
Treasury shares		-448'731	-448'731	0.0%
Retained earnings and translation differences		-1'304'003	-2'370'130	45.0%
Net result		604'690	-2'749'610	122.0%
Equity of the Sandpiper Digital Payments AG shareholders		335'906	-4'082'301	108.2%
Non-controlling interests		132'216	2'014'630	-93.4%
Total equity		468'122	-2'067'671	122.6%
Total equity and liabilities		3'826'266	15'414'776	-75.2%

Consolidated income statement of Sandpiper Digital Payments AG

EUR	Notes	01.01.2021 30.06.2021	01.01.2020 30.06.2020	Change
Net Revenue		13'019'519	14'004'262	-7.0%
Other operating income		355'669	300'818	18.2%
Total operating income		13'375'188	14'305'080	-6.5%
Change in inventories		222'906	-240'871	192.5%
Material expenses		-4'932'735	-4'844'603	-1.8%
Personnel expense		-6'134'852	-6'228'897	1.5%
Depreciation and impairment on tangible assets		-102'802	-116'212	11.5%
Amortization and impairment of intangible assets		-430'864	-467'216	7.8%
Other operating expenses		-2'102'396	-2'172'297	3.2%
Total operating expenses		-13'480'744	-14'070'097	4.2%
Operating result		-105'556	234'984	-144.9%
Share of results from associates		0	0	100.0%
Financial expense		-180'621	-340'018	46.9%
Financial income		869'281	163'601	431.3%
Financial result		688'660	-176'417	490.4%
Ordinary result		583'104	58'567	895.6%
Non-operating income		241'441	0	100.0%
Non-operating expense		-3'656	-3'996	8.5%
Non-operating result		237'785	-3'996	6051.1%
Profit before taxes		820'889	54'571	1404.3%
Income taxes		-64'990	-168'138	61.3%
Net result		755'899	-113'567	765.6%
Attributable to:				
Shareholders of Sandpiper Digital Payments AG		604'690	-446'312	235.5%
Non-controlling interests		151'209	332'746	-54.6%
Earnings per share (EPS) – expressed in EUR per share:				
Basic earnings per share		0.00	0.00	
Diluted earnings per share		0.00	0.00	
Shares outstanding as per 30 June		208'325'028	208'325'028	

Consolidated statement of cash flows of Sandpiper Digital Payments AG

EUR	Notes	01.01.2021 30.06.2021	01.01.2020 30.06.2020	Change
Net result		755'899	-113'567	765.6%
Depreciation and amortization of non-current assets		533'667	583'428	-8.5%
Non-cash income		-5'640'204	434'460	-1398.2%
Share-based compensation		-2'218	0	100.0%
Changes in provisions		-2'193'409	-425'037	-416.1%
Changes in trade receivables		1'327'063	227'777	482.6%
Changes in inventories		2'469'158	-113'018	2284.8%
Changes in other receivables and and accrued income		1'723'277	-901'390	291.2%
Changes in trade payables		-98'610	-924'438	89.3%
Changes in other liabilities and accrued expenses		-1'907'376	915'778	-308.3%
Depreciation and amortization of non-current assets		-3'032'753	-316'005	-859.7%
Investments in property, plant and equipment		-61'214	-80'882	24.3%
Disposal of porperty, plant and equipment		1'476	0	100.0%
Investments in financial assets		0	-253'529	100.0%
Proceeds from sale of financial assets		0	13'748	-100.0%
Investments in intangible assets		-183'815	-36'096	-409.2%
Cash flow from investing activities		-243'553	-356'758	31.7%
Dividend paid to non-controlling interests		-9'242	-151'041	93.9%
Purchase/sale of non-controlling interests		0	0	0.0%
Repayment of current financial debts		-70'000	-70'000	0.0%
Borrowing of non-current financial debts		0	500'000	-100.0%
Cash flow from financing activities		-79'242	278'959	-128.4%
Net impact of foreign exchange rate differences on cash		24'747	-41'395	159.8%
Change in cash and cash equivalents		-3'330'801	-435'199	-665.4%
Verification:				
At beginning of year		4'656'532	3'308'422	40.7%
At end of year		1'325'732	2'873'223	-53.9%
Change in cash and cash equivalents		-3'330'801	-435'199	-665.4%

Consolidated statement of changes in equity of Sandpiper Digital Payments AG

EUR	Share capital	Capital reserves	Treasury shares	Retained earnings	Equity attributable to SDP shareholders	Minority shareholders	Total equity
Balance at 31.12.2019	1'661'554	-175'819	-448'731	-4'370'415	-3'333'411	1'540'465	-1'792'946
Net profit	0	0	0	-446'312	-446'312	332'746	-113'567
Dividends paid	0	0	0	0	0	-151'041	-151'041
Currency translation	0	0	0	4'014	4'014	-1'897	2'117
Balance at 30.06.2020	1'661'554	-175'819	-448'731	-4'812'714	-3'775'710	1'720'273	-2'055'437
Net income	0	0	0	-2'303'298	-2'303'298	174'157	-2'129'141
Share-based compensation	0	434	0	0	434	0	434
Capital increase InterCard	0	0	0	0	0	319'200	319'200
Goodwill recycling Playpass	0	0	0	1'815'602	1'815'602	0	1'815'602
IDendant GmbH	0	0	0	188'838	188'838	-188'838	0
Dividends paid	0	0	0	0	0	-2'464	-2'464
Currency translation	0	0	0	-8'168	-8'168	-7'698	-15'866
Balance at 31.12.2020	1'661'554	-175'385	-448'731	-5'119'739	-4'082'301	2'014'630	-2'067'671
Net income	0	0	0	604'690	604'690	151'209	755'899
Share-based compensation	0	-2'218	0	0	-2'218	0	-2'218
Goodwill recycling InterCard	0	0	0	3'831'388	3'831'388	0	3'831'388
Dividends paid	0	0	0	0	0	-9'242	-9'242
Disposal of InterCard	0	0	0	0	0	-2'023'617	-2'023'617
Currency translation	0	0	0	-15'652	-15'652	-764	-16'416
Balance at 30.06.2021	1'661'554	-177'603	-448'731	-699'314	335'906	132'216	468'122

Share capital of Sandpiper Digital Payments AG consists of 211'695'028 registered shares with a nominal value of CHF 0.01 each.

There are no non-distributable, statutory or legal reserves (prior year EUR 0).

The shareholders decided on the shareholders' meeting on 25 June 2021:

Authorized capital increase, maximum	CHF	1'058'475
thereof used	CHF	0
Conditional capital increase, maximum	CHF	344'006
thereof used	CHF	0

Further the shareholders' meeting approved a capital increase of maximum EUR 7 million by issuing 700 million new shares.

Notes to the consolidated interim financial statements of Sandpiper Digital Payments AG as per 30 June 2021

Summary of significant accounting policies

Basis of preparation

The financial statements provide a true and fair view of the assets, financial position and earnings of Sandpiper Digital Payments AG's and its subsidiaries ("Group" or "SANDPIPER") and have been prepared in accordance with all of the existing guidelines of the accounting and reporting recommendations of Swiss GAAP FER 31. Swiss GAAP FER 31 permits condensations in presentation and disclosure compared to an annual financial statement.

The interim financial statements of the Group are based upon the financial statements of the Group companies as at 30 June and are established in accordance with the standardized reporting and accounting policies. The financial statements are based on the principle of historical acquisition costs (except for securities and derivative financial instruments recognized at fair value) and on the going concern principle. The statements are presented in Euro (EUR).

Consolidation policies

The Group includes all companies that are directly or indirectly controlled by Sandpiper Digital Payments AG. In this respect, control is defined as the power to control the financial and operating activities of the respective company, so as to obtain benefits from its operations. This control is normally evidenced by the holding of more than half of the voting rights of the share capital of an entity. Group companies are consolidated from the date on which control is transferred to the Group. Subsidiaries intended for disposal are excluded from the consolidation from the date on which control ceases.

Companies acquired over the course of the year are revalued and consolidated in accordance with Group principles upon the date of acquisition. The difference between the acquisition costs and the proportional revalued net assets is referred to as goodwill. Within the scope of acquisitions, potentially existing but until now not capitalized intangible assets such as brands, usage rights and client lists are not recognized separately, but instead remain part of goodwill. Goodwill may also arise from investments in associated companies and is defined as the difference between the acquisition costs of the investment and its proportional revalued net assets. The goodwill resulting from acquisitions is recognized directly in the Group's equity. The notes to the financial statements disclose the effects that a theoretical capitalization and amortization of the acquired goodwill would have.

In the event that shares of the Group companies or associated companies are sold, the difference between the proceeds from the sale and the proportional book value, including historical goodwill, is recognized as a gain or loss in the income statement. Non-controlling interests in equity and in net income are disclosed separately in the consolidated balance sheet and the consolidated income statement. Changes in ownership interests in subsidiaries are recognized as equity transactions, provided that control continues. Intercompany transactions, balances and unrealized gains and losses from transactions between group companies are eliminated in full.

Associates are all companies on which the Group exerts significant influence, but does not control. This is generally evidenced when the Group holds voting rights of 20% to 50% of a company. Representation on the board of directors or access to the current financial information of a company are also indicators of significant influence. Investments in associated companies are accounted for using the equity method and are initially recognized at cost. Unrealized gains and losses from transactions with associated companies are eliminated to the extent of the Group's participation in the associated company. The accounting policies of associated companies are adjusted where necessary in order to ensure consistency with the policies observed by the Group.

Proportionate consolidation is applied for participations in joint ventures.

Participations in companies where the Group has no significant influence nor control are carried at costs less impairment, if needed.

Foreign currency translation

The financial statements of the Group are presented in the reporting currency of Euro (EUR). The financial statements of the individual companies to be consolidated are translated into the Group's currency at the effective date with the current rate method. This currency translation is carried out

- for the assets and liabilities at the year-end exchange rates,
- for equity at historical exchange rates,
- and for the income statement and statement of cash flows at average annual exchange rates.
- Any translation differences are recognized in equity without affecting the income statement.

In the event that a foreign entity is sold, the cumulative translation differences recognized in equity, which are a result of the translation of the financial statements and intercompany loans, are reversed from the equity and reported in the income statement as part of the gain or loss on the sale.

Rounding differences

The tables disclosed in these financial statements may contain rounding differences.

Accounting principles

The financial statements are based on the principle of historical acquisition costs. The following accounting policies were applied for the assets and liabilities included in the consolidated financial statements.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise petty cash, cash at banks and short-term deposits with an original maturity of three months or less. They are recorded at their nominal value.

Marketable securities

Purchases and sales of securities are recognized in accordance with the settlement date principle. The securities are initially measured at cost, and the transaction costs are charged to the income statement. Subsequently, the listed securities are recorded in the balance sheet at market value on the balance sheet date. All realized and unrealized gains and losses resulting from variations in market values and foreign currencies are recorded in the income statement.

Trade receivables

Trade receivables are recognized and carried at the original net invoice amount less an allowance for any specifically impaired receivables. Provision is made for balances overdue more than 12 months or for receivables where specific risks have been identified. Bad debts are written off when there is objective evidence that the Group will not be able to collect the receivables.

Other receivables

Other receivables are recognized and carried at nominal value less an allowance for any specifically impaired receivables.

Inventories

Inventories are valued at the lower of cost or net realizable value. Any discounts received are treated as cost reductions. Manufacturing costs comprise all costs directly attributable to material and production, as well as overhead costs incurred in building up the inventory at its current location and/or to its current condition. Acquisition costs are determined according to the weighted average method. Inventories with unsatisfactory inventory turnover are revalued accordingly.

Property, plant and equipment

Property, plant and equipment are recorded in the balance sheet at historical cost less accumulated depreciation and any impairments. Acquisition costs comprise the purchase price as well as the costs directly attributable to the utilization of the property, plant and equipment. Investments in existing property, plant and equipment are only capitalized if their value in use is sustainably increased or their useful life is extended considerably. Self-constructed assets are only capitalized if they are clearly identifiable and the costs can be reliably determined, and if the assets generate measurable benefits for the Group over a period of several years. Maintenance and repair costs that do not add value are charged directly to the result for the period.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, as follows:

- Land no depreciation
- Buildings 30-35 years
- Technical equipment, machines 8-12 years

Other fixed assets:

- Furniture 3-5 years
- IT equipment 3-5 years
- Vehicles 3-5 years

The Group does not capitalize any interest expenses incurred during the construction period.

Financial assets

Non-current financial loans to associates or third parties are recorded at historical costs less allowance for any specifically impaired loan. Investments in associated companies are accounted for using the equity method. Participations in companies where the Group does not have significant influence are carried at costs less impairment, if needed.

Derivative financial instruments

Derivative financial instruments are used for hedging risks from fluctuations in interest rates or foreign exchange rates. The valuation of derivative financial instruments is according the same principles like the hedged items. Derivatives without hedging purpose are carried at fair market value.

Intangible assets

Intangible assets comprise acquired licenses, capitalized development cost and trademarks. Intangible assets are recorded in the balance sheet at historical cost less accumulated amortization and any impairment. They are amortized on straight-line basis over their useful life (max. 6 years).

Internally generated intangible assets are capitalized if all the following criteria are met:

- The self-generated intangible asset must be separately identifiable and is controlled by the Group.
- It is probable that the expected future economic benefits that are attributable to the asset will flow to the Group.
- The cost of the asset can be measured reliably.

Goodwill

The difference between the acquisition costs and the actual value of the net identifiable assets of the acquired company at the time of the purchase represents goodwill from business combinations. The goodwill resulting from acquisitions is recognized in Group equity at the time of the acquisition. The Notes to the financial statements disclose the effects that a theoretical capitalization and amortization of the goodwill would have. Goodwill may also arise from investments in associated companies, calculated as the difference between the acquisition costs of the investment and its proportional revalued net assets.

In the case of a sale of a company, an acquired goodwill previously offset against equity must be recognized at its original cost in order to determine the gain or loss recognized in profit or loss.

Impairment of assets

The recoverable value of non-current assets (including goodwill recognized in equity) is verified on every balance sheet date. If there are indications of a sustained impairment, the recoverable amount of the respective assets will be determined. The recoverable amount is the higher of the net selling price and value in use. If the recoverable amount of an individual asset cannot be determined, the Group estimates the recoverable amount of the smallest group of assets to which the individual asset belongs. If the book value of an asset exceeds the recoverable amount, an impairment loss is recognized separately in the income statement. As the goodwill is already recognized in equity at the time at which it was acquired, a goodwill impairment would not result in a charge being recorded in the income statement but leads to a disclosure in the Notes to the financial statements. In the event that a Group company is sold, any goodwill acquired at an earlier point in time and recognized in equity is taken into consideration when determining the gain or loss in the income statement.

Liabilities

Liabilities are recognized at nominal values.

Provisions

Provisions are recognized:

- when the Group has a present legal or constructive obligation as a result of past events
- when it is probable that an outflow of resources will be required to settle the obligation, and
- when a reliable estimate of the amount of the obligation can be made.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate receivable, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted, using a current discount rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision in function of time is recognized as interest expense.

Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax is recognized in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax regulations and rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply.

Deferred tax assets are recognized for all deductible temporary differences and tax credits to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax is recognized on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is not intended that the temporary difference will reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Pension obligations

Group companies participate in various pension schemes, which conform to the legal regulations and provisions in force in the respective countries. The actual economic effects of pension schemes on the Group are calculated at balance sheet date. An economic obligation is recognized as a liability if the requirements for the recognition of a provision are met. An economic benefit is capitalized provided that this can be used for future Group pension expenses. Freely available employer contribution reserves are capitalized.

Employees of the Swiss group companies are insured as part of the Swisscanto Sammelstiftung, which is a separate legal entity and is financed by contributions from both employers and employees. Surpluses or deficits are calculated based on the Pension Fund's financial statements, which have been drawn up in accordance with Swiss GAAP FER 26. The Group's pension costs include the employer contributions accrued in the period as well as any economic effects from the excess/shortfall and the change in employer contribution reserves.

There are subsidiaries outside Switzerland which participate in pension schemes. These funds are treated in the same way as the Swiss plan in terms of accounting, i.e. paid contributions as well as any effects from the excess/shortfall are recorded as expenses. In some countries, there are also pension plans that do not have own assets, whereby the corresponding benefit provisions are recognized directly in the balance sheet and any changes are recognized in the income statement.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are deducted from equity. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. In the event of a resale at a later point in time, a gain or loss is recognized as an addition to or reduction of capital reserves.

Annotations to the consolidated financial statements

1. Business combinations and disposals

The shareholders meeting approved the disposal of InterCard AG Informationssysteme and its subsidiaries. The purchase price obtained was offset with outstanding debts. As part of the disposal, goodwill of KEUR 3'831 was recycled in equity (see note 5). At the time of the initial consolidation the main balance sheet items were:

EUR	30.06.2021	EUR	30.06.2021
Licenses and other rights	1'770'865	Equity	3'818'517
Property, plant and equipment	319'261	Non-current liabilities	3'393'764
Financial assets	271'564	Current liabilities	5'921'505
Receivables and other assets	4'538'603		
Inventories	2'865'157		
Cash	3'368'336		
Total assets	13'133'786	Total liabilities and equity	13'133'786

In October 2020, the management could announce the disposal of its stake in Playpass NV to the management. The transaction could be completed in December 2020. The disposal of the participation and the loans given led to a loss of KEUR 2'234.

At the time of the derecognition, Playpass NV was carried at an equity valuation of zero. Goodwill of originally KEUR 1'816 was already fully amortized and impaired.

2. Financial assets

EUR	30.06.2021	31.12.2020	Change
Other investments	429'681	429'681	0.0%
Other non-current financial receivables from third parties	370'270	403'049	-8.1%
Deferred tax assets	0	289'388	-100.0%
Allowance on non-current financial assets	-429'681	-429'681	0.0%
Total	370'270	692'436	-46.5%

Other investments contain fully impaired investments in companies in liquidation and participations in companies where the Group holds less than 20% of the voting rights and does not have significant influence.

Other non-current financial receivables from third parties contain the positive fair value of derivatives of KEUR 307 (prior year KEUR 319) and deposits of KEUR 63 (2019: KEUR 84).

Deferred tax assets of InterCard AG Informationssysteme and its subsidiaries were deconsolidated. There are no more capitalized deferred tax assets.

Allowance on non-current financial assets refers to loans to third parties with solvency risks and the mentioned impairments on investments.

3. Property, plant and equipment

EUR	Land and buildings	Technical equipment and machinery	Other fixed assets	Total
Historical cost 31.12.2019 / 1.1.2020	333'644	452'110	789'642	1'575'396
Additions	0	81'396	129'030	210'425
Disposals	0	-45'367	-377'718	-423'085
Reclassifications	0	-144'258	144'258	0
Translation differences	2'103	1'521	2'468	6'092
Historical cost 31.12.2020	335'747	345'402	687'680	1'368'828
Additions	0	26'468	34'746	61'214
Disposals	0	0	-2'896	-2'896
Change in scope of consolidation	0	-40'959	-762'264	-803'223
Translation differences	-9'030	-8'121	-1'180	-18'332
Historical cost 30.06.2021	326'717	322'789	-43'914	605'592
Accumulated depreciation 31.12.2019 / 1.1.2020	-208'524	-372'131	-476'151	-1'056'806
Annual depreciation	-21'484	-47'551	-151'329	-220'364
Disposals	0	45'366	377'719	423'085
Reclassifications	0	84'220	-84'220	0
Translation differences	-1'124	-990	-680	-2'794
Accumulated depreciation 31.12.2020	-231'132	-291'086	-334'661	-856'879
Annual depreciation	-16'216	-15'813	-70'774	-102'802
Disposals	0	0	1'419	1'419
Change in scope of consolidation	0	43'639	446'989	490'628
Translation differences	6'216	6'578	941	13'735
Accumulated depreciation 30.06.2021	-241'131	-256'682	43'914	-453'899
Net book value 31.12.2019	125'120	79'979	313'491	518'590
Net book value 31.12.2020	104'615	54'316	353'018	511'950
Net book value 30.06.2021	85'586	66'107	0	151'693

4. Intangible Assets

EUR	Licenses	Development Costs	Total
Historical cost 31.12.2019 / 1.1.2020	1'565'278	4'632'041	6'197'319
Additions	11'427	370'669	382'097
Disposals	-50'728	0	-50'728
Translation differences	12	21'634	21'646
Historical cost 31.12.2020	1'525'990	5'024'345	6'550'335
Change in scope of consolidation	-1'526'724	-2'153'624	-3'680'348
Additions	775	182'562	183'337
Disposals	0	-476'829	-476'829
Translation differences	-41	-90'483	-90'525
Historical cost 30.06.2021	0	2'485'970	2'485'970
Accumulated amortization 31.12.2019 / 1.1.2020	-1'052'313	-1'964'395	-3'016'708
Annual amortization	-232'825	-734'028	-966'853
Amortization on disposals	50'725	0	50'725
Translation differences	2	-5'057	-5'055
Accumulated amortization 31.12.2020	-1'234'412	-2'703'479	-3'937'891
Change in scope of consolidation	1'347'071	562'412	1'909'483
Annual amortization	-112'676	-318'188	-430'864
Amortization on disposals	0	477'307	477'307
Translation differences	17	53'942	53'959
Accumulated amortization 30.06.2021	0	-1'928'006	-1'928'006
Net book value 31.12.2019	512'965	2'667'646	3'180'611
Net book value 31.12.2020	291'578	2'320'865	2'612'444
Net book value 30.06.2021	0	557'964	557'964

The goodwill resulting from acquisitions is recognized directly in the Group's equity. The notes to the financial statements disclose the effects that a theoretical capitalization and amortization of the acquired goodwill would have (see note 5).

5. Goodwill accounting

Goodwill is recognized in equity at the time of purchase of a subsidiary or an investment in an associated company. The theoretical capitalization of goodwill, based on a useful life up to 5 years, would have the following impact:

Balance sheet in EUR	30.06.2021	31.12.2020
Reported equity including minority shareholders	468'122	-2'383'702
Equity financing	n/a	n/a
Historical cost goodwill		
At the beginning of the financial year	3'831'388	9'117'847
Additions	0	0
Disposals (recycled in equity)	-3'831'388	-1'815'602
Derecognition	0	-3'470'857
At the end of the financial year	0	3'831'388
Accumulated amortization		
At the beginning of the financial year	3'350'448	7'035'978
Additions	252'047	1'333'840
Impairments	0	267'090
Disposals	-3'602'496	-1'815'602
Derecognition	0	-3'470'857
At the end of the financial year	0	3'350'448
Theoretical net book value of goodwill	0	480'940
Theoretical equity including minority shareholders and goodwill	468'122	-1'902'762
Theoretical equity financing	12.2%	-12.3%
Impact of the theoretical amortization of goodwill on net income:		
Income statement in EUR		
	01.01.2021 30.06.2021	01.01.2020 30.06.2020
Reported net income	755'899	-113'567
Disposals (recycled in equity)	3'831'388	0
Theoretical amortization of goodwill	-252'047	-1'153'454
Net income after amortization of goodwill	4'335'240	-1'267'021

Goodwill of InterCard Group and Polyright SA were further amortized. With the disposal of InterCard Group (including Polyright SA) the original goodwill of KEUR 3'831 was recycled in equity. After this disposal all goodwill is amortized or derecognized.

In prior year the disposal of Playpass NV led to an impairment of the residual book value of KEUR 267. Further the original goodwill amount of KEUR 1'816 was recycled.

6. Financial debts

EUR	30.06.2021	31.12.2020	Change
Bank debts	126'126	1'308'383	-90.4%
Loans from related parties	0	6'169'564	-100.0%
Total current financial liabilities	126'126	7'477'947	-98.3%

EUR	30.06.2021	31.12.2020	Change
Loans from related parties	398'198	409'204	-2.7%
Loans from banks	189'189	1'832'952	-89.7%
Covid-19 loans	450'450	947'162	-52.4%
Other financial liabilities	0	421'608	-100.0%
Total non-current financial debts	1'037'837	3'610'926	-71.3%

Financial debts significantly decreased due to offsetting with InterCard AG Informationssysteme shares. Not only the debts of InterCard Group were deconsolidated, but also the consideration received could be used to significantly reduce SANDPIPER's debt.

For the duration of the utilisation of the COVID 19 loan, Ergonomics AG may not distribute any dividends and may not make any repayments of capital contributions. In addition, there are further restrictions concerning the granting and redemption of loans to Group companies.

7. Segment information

Net revenue in the operating segments (in EUR):

01.01.2021 30.06.2021	Sport & Events	Campus & Corporate	Security & Services	Investing activities	Elimination	Total
Third parties	0	10'423'202	2'596'317	0	0	13'019'519
Group	0	0	46'216	0	-46'216	0
Net Sales	0	10'423'202	2'642'534	0	-46'216	13'019'519
Net income	0	194'396	105'768	455'735	0	755'899

01.01.2020 30.06.2020	Sport & Events	Campus & Corporate	Security & Services	Investing activities	Elimination	Total
Third parties	0	9'200'208	4'804'054	0	0	14'004'262
Group	0	0	58'091	0	-58'091	0
Net Sales	0	9'200'208	4'862'145	0	-58'091	14'004'262
Net income	0	420'971	-229'939	-304'599	0	-113'567

Net revenue in the regional markets:

EUR	01.01.2021 30.06.2021	01.01.2020 30.06.2020	Change
Switzerland	4'527'423	2'513'759	80.1%
Germany	8'497'090	11'456'930	-25.8%
United Kingdom	30'897	0	100.0%
Other	10'325	91'664	-88.7%
Eliminations	-46'216	-58'091	-20.4%
Total	13'019'519	14'004'262	-7.0%

Revenues decreased due to the pandemic related lock-downs and closed universities.

8. Earnings per share

Basic earnings per share

EUR	01.01.2021 31.06.2021	01.01.2020 31.06.2020
Net income attributable to shareholders of SANDPIPER	604'690	-446'312
Number of shares outstanding	208'325'028	208'325'028
Basic earnings per share	0.00	0.00

Diluted earnings per share

EUR	01.01.2021 31.06.2021	01.01.2020 31.06.2020
Net income attributable to shareholders of SANDPIPER	604'690	-446'312
Interest on convertible loans	0	0
Adjusted net income	604'690	-446'312
EUR	30.06.2021	30.06.2020
Number of shares issued	211'695'028	211'695'028
Treasury shares	-3'370'000	-3'370'000
Potential number of shares from convertible loans	0	0
Potential number of shares outstanding	208'325'028	208'325'028
Diluted earnings per share	0.00	0.00

9. Treasury shares

During 2020 and in 2021 no treasury shares were traded. SANDPIPER still holds 3'370'000 shares at a valuation of EUR 448'731.

10. Events after the balance sheet date

There were no other subsequent events with effect on the financial statements as per 30 June 2021.

The interim financial statements as per 30 June 2021 were approved by the board of directors on 27 August 2021.

11. Subsidiaries and participations

Company name	Country	Registered Office	Segment	Share capital in 1'000	Share of capital in %	Share of voting rights in %	Method
E24 AG	Switzerland	Zurich	SS	CHF 250	80	80	V
Ergonomics AG	Switzerland	Zurich	SS	CHF 800	100	100	V
Multicard Nederland B.V.	Netherlands	Oud-Beijerland	SE	EUR 18	100	0	B
Prima Live Ltd.	Malta	Mosta	IA	EUR 7	17	17	B
Rumble Media GmbH	Germany	Karlsruhe	IA	EUR 160	1	1	B
Sandpiper Digital Payments Asia Private Ltd	Singapore	Singapore	SS	SGD 150	15	15	B

Consolidation method

Segments

V Full consolidation

E Equity Method

IA Investing activities

SE Sport & Events

Q Proportionate consolidation

B Current Value

CC Corporate & Campus

SS Security & Services

As per end of June, the investment in InterCard AG Informationssysteme was offset against financial debt. Consequently, the company and all its subsidiaries were deconsolidated.

Already in December 2020, the whole investment in Playpass NV was sold to the management of the company.