

Sandpiper Digital Payments AG

Interim Financial Statements

as per 30 June 2019



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 and its associated companies focus on the fragmented payment landscape in Europe in the area of digital payments, access control and identity management. Sandpiper Digital Payment’s shares are listed on Berne Stock Exchange.

SANDPIPER is 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 combines easy-to-use hard- and software, apps and management solutions for universities, libraries, events, festivals, municipalities, fleet, transport and mobile network operators. SANDPIPER and its associated companies provide a range of capabilities, services and solutions enabling financial institutions and other corporates, event organizers, caterers, retailers and brands to rapidly deploy highly secure digital payments and data or loyalty services. SANDPIPER solutions are secure, interoperable, interactive and therefore convenient, by seamless integration of digital security technologies and data services, social media and apps, smart and connected devices, as well as multiple applications like:

- Cashless closed and open-loop payment at point of sales (POS), kiosk, self-service machines, printing, ticketing and parking facilities
- Digital security and identification / ID solutions for secure physical, logical and converged access, time and attendance
- Easy integration of various 3rd party solutions

SANDPIPER offers its technologies, capabilities and expertise to simplify your world of payment. We deliver innovation, quality and commitment to build long-term client relationships based on mutual trust, integrity and respect for a more secure future. Everyday.

Digital security technologies build the fundament for seamless interoperable and interactive ID, mobile and digital payment systems and adjacent multiple applications, like physical and logical access and enhanced data or loyalty services.

Digital Payment is based on Digital Security, or more briefly said: “It’s two sides of the same coin!”

Business year

SANDPIPER continued its consolidation efforts. Operational measures were taken to significantly improve the company’s operating result and to build a basis for a continued positive development in the coming years. Such measures included cost reductions in the headquarter overhead and closer guidance of the subsidiaries.

The concentration on its investment activities exclusively on successful business models allowed SANDPIPER not only to grow but also to increase profitability.

PAIR Solutions GmbH was sold in prior year and Multicard Nederland B.V. was declared bankrupt. These reductions in business activity could partly be compensated by the consolidation of Polyright SA starting from May. Polyright SA could contribute revenues in that period of KEUR 651k.

Organic growth could be generated by InterCard Group and Ergonomics AG. Overall operating income grew by 8.5% to 13.9 million.

Key figures:

EUR	30.06.2019	31.12.2018	Change
Total assets	17'603'536	15'313'688	15.0%
Shareholders equity attributable to SDP shareholder	-2'852'148	-2'519'372	-13.2%
Shares outstanding	208'325'028	208'325'028	0.0%
NAV per share	-0.01	-0.01	-13.2%

EUR	01.01.2019 30.06.2019	01.01.2018 30.06.2018	Change
Operating income	13'919'498	12'834'112	8.5%
Earnings before interests and taxes (EBIT)	469'754	-986'452	147.6%
Earnings before interests, taxes, depreciation and amortization (EBITDA)	1'229'509	-364'901	436.9%
Net profit (loss) attributable to SDP shareholder	64'622	-1'097'528	105.9%
Basic earnings per share	0.00	-0.01	105.8%
Diluted earnings per share	0.00	-0.01	105.8%

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

The organic growth and the cost savings led to a significantly improved profitability. The deconsolidation of the overindebted and bankrupt Multicard Nederland BV led to a positive consolidation effect of EUR 0.7 million.

Outlook

The operative restructuring continues in 2019. SANDPIPER focuses on cost efficiency, while leveraging adjacent sales channels and shared services, like coordinated purchasing of goods and services.

Convertible loans of EUR 0.4 million granted to Playpass NV are intended to be converted by the end of 2019 or in early 2020.

Consolidated balance sheet of Sandpiper Digital Payments AG

Assets

EUR	30.06.2019	31.12.2018	Change
Cash and cash equivalents	2'918'480	3'259'134	-10.5%
Marketable Securities	18'891	18'891	0.0%
Trade receivables	2'732'821	2'183'627	25.2%
Other short-term receivables	1'561'681	906'254	72.3%
Inventories	3'203'155	2'545'356	25.8%
Prepayments and accrued income	833'086	508'979	63.7%
Total current assets	11'268'115	9'422'241	19.6%
Property, plant and equipment	1'814'529	1'043'208	73.9%
Financial assets	1'025'035	1'670'944	-38.7%
Intangible assets	3'495'856	3'177'296	10.0%
Total non-current assets	6'335'421	5'891'447	7.5%
TOTAL ASSETS	17'603'536	15'313'688	15.0%

Equity and liabilities

EUR	Notes	30.06.2019	31.12.2018	Change
Financial debts		973'710	4'695'048	-79.3%
Trade payables		3'232'029	2'988'036	8.2%
Other liabilities		2'700'586	2'040'886	32.3%
Provisions		1'475'832	1'979'914	-25.5%
Accrued expenses		1'433'882	986'153	45.4%
Total current liabilities		9'816'038	12'690'038	-22.6%
Financial debts		7'901'958	3'136'612	151.9%
Provisions		985'532	534'487	84.4%
Total non-current liabilities		8'887'490	3'671'099	142.1%
Total liabilities		18'703'528	16'361'137	14.3%
Share capital		1'661'554	1'661'554	0.0%
Capital reserves		-211'193	14'525'054	-101.5%
Treasury shares		-480'511	-480'511	0.0%
Retained earnings and translation differences		-3'886'620	-16'330'400	76.2%
Net profit (prior year loss)		64'622	-1'895'070	103.4%
Equity of the Sandpiper Digital Payments AG shareholders		-2'852'148	-2'519'372	-13.2%
Non-controlling interests		1'752'156	1'471'923	19.0%
Total equity		-1'099'992	-1'047'449	-5.0%
Total equity and liabilities		17'603'536	15'313'688	15.0%

Consolidated income statement of Sandpiper Digital Payments AG

EUR	Notes	01.01.2019 30.06.2019	01.01.2018 30.06.2018	Change
Net Revenue		13'636'455	12'700'997	7.4%
Other operating income		283'043	133'115	112.6%
Total operating income		13'919'498	12'834'112	8.5%
Change in inventories		130'269	355'213	-63.3%
Material expenses		-5'692'462	-5'485'813	-3.8%
Personnel expense		-5'704'699	-6'049'585	5.7%
Depreciation and impairment on tangible assets		-180'367	-221'173	18.5%
Amortization and impairment of intangible assets		-579'389	-400'377	-44.7%
Other operating expenses		-2'058'137	-2'018'932	-1.9%
Total operating expenses		-14'084'785	-13'820'668	-1.9%
Operating result		-165'287	-986'555	83.2%
Share of results from associates		-199'352	-24'621	-709.7%
Financial expense		-109'433	-269'105	59.3%
Financial income		203'693	223'454	-8.8%
Financial result		-105'091	-70'272	-49.5%
Ordinary result		-270'378	-1'056'827	74.4%
Non-operating income		683'954	104	659250.4%
Non-operating expense		-48'914	0	100.0%
Non-operating result		635'040	104	612096.2%
Profit (loss) before taxes		364'662	-1'056'724	134.5%
Income taxes		-88'066	-34'664	-154.1%
Net profit (prior year loss)		276'596	-1'091'387	125.3%
Attributable to:				
Shareholders of Sandpiper Digital Payments AG		64'622	-1'097'528	105.9%
Non-controlling interests		211'974	6'141	3351.8%
Earnings per share (EPS) – expressed in EUR per share:				
Basic earnings per share		0.00	-0.01	105.8%
Diluted earnings per share		0.00	-0.01	105.8%
Shares outstanding as per 30 June		208'325'028	203'455'778	

Consolidated statement of cash flows of Sandpiper Digital Payments AG

EUR	Notes	01.01.2018 30.06.2018	01.01.2017 30.06.2017	Change
Net profit (loss)		276'596	-1'091'387	125.3%
Depreciation and amortization of non-current assets		759'756	621'550	22.2%
Non-cash income		550'904	39'534	1293.5%
Share-based compensation		0	14'981	-100.0%
Changes in provisions		-53'038	-390'688	86.4%
Changes in trade receivables		-549'194	452'380	-221.4%
Changes in inventories		-657'800	-384'914	-70.9%
Changes in other receivables and accrued income		-979'535	204'267	-579.5%
Share of result from associates		199'352	24'621	709.7%
Changes in trade payables		243'993	-224'025	208.9%
Changes in other liabilities and accrued expenses		1'107'429	-89'638	1335.4%
Cash flow from operating activities		898'463	-823'318	209.1%
Investments in property, plant and equipment		-951'688	-127'063	-649.0%
Investments in financial assets		-104'348	-343'139	69.6%
Proceeds from sale of financial assets		0	1'162'549	-100.0%
Investments in intangible assets		-897'950	-588'985	-52.5%
Cash flow from investing activities		-1'953'986	103'362	-1990.4%
Dividend paid to shareholders		-70'911	-74'473	4.8%
Acquisitions; Goodwill offsetting		-273'009	108'450	-351.7%
Purchase/sale of treasury shares		0	-174'782	100.0%
Change in current financial debts		-3'721'339	320'758	-1260.2%
Change in non-current financial debts		4'765'346	349'952	1261.7%
Cash flow from financing activities		700'088	529'905	32.1%
Net impact of foreign exchange rate differences on cash		14'780	10'510	40.6%
Change in cash and cash equivalents		-340'654	-179'540	-89.7%
Verification:				
At beginning of year		3'259'134	1'342'412	142.8%
At end of year		2'918'480	1'162'871	151.0%
Change in cash and cash equivalents		-340'654	-179'540	-89.7%

Consolidated statement of changes in equity of Sandpiper Digital Payments AG

EUR	Share capital	Capital reserves	Treasury shares	Retained earnings	Equity attributable to SDP share-holders	Minority share-holders	Total equity
Balance at 31.12.2017	1'661'554	14'603'283	0	-16'359'515	-94'678	1'164'461	1'069'782
Net profit	0	0	0	-1'097'528	-1'097'528	6'141	-1'091'387
Share-based compensation	0	14'981	0	0	14'981	0	14'981
Disposal of 20% of E24	0	0	0	0	0	108'450	108'450
Dividends paid	0	0	0	0	0	-74'473	-74'473
Transactions with treasury shares	0	0	-1'278'018	0	-1'278'018	0	-1'278'018
Currency translation	0	0	0	12'141	12'141	-1'631	10'510
Balance at 30.06.2018	1'661'554	14'618'264	-1'278'018	-17'444'903	-2'443'103	1'202'948	-1'240'155
Net income	0	0	0	-797'541	-797'541	154'761	-642'780
Share-based compensation	0	6'184	0	0	6'184	0	6'184
Capital increase InterCard	0	0	0	0	0	378'000	378'000
Purchase of minority interests	0	0	0	0	0	-226'134	-226'134
Disposal of minority interests	0	0	0	0	0	-1'695	-1'695
Dividends paid	0	0	0	0	0	-40'479	-40'479
Purchase of treasury shares	0	0	-2'220'944	0	-2'220'944	0	-2'220'944
Disposal of treasury shares	0	-99'394	3'018'451	0	2'919'057	0	2'919'057
Currency translation	0	0	0	16'974	16'974	4'521	21'496
Balance at 31.12.2018	1'661'554	14'525'054	-480'511	-18'225'469	-2'519'372	1'471'923	-1'047'449
Net profit	0	0	0	64'622	64'622	211'974	276'596
Acquisition / Goodwill offsetting	0	0	0	-408'728	-408'728	135'720	-273'009
Dividends paid	0	-14'736'247	0	14'736'247	0	-70'911	-70'911
Currency translation	0	0	0	11'331	11'331	3'449	14'780
Balance at 30.06.2019	1'661'554	-211'193	-480'511	-3'821'998	-2'852'148	1'752'156	-1'099'992

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

The SANDPIPER shareholders decided on the shareholders' meeting on 28 June 2019 to reclassify capital reserves of EUR 14.7 to retained earnings.

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

The shareholders decided on the shareholders' meeting on 28 June 2019:

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

Notes to the consolidated interim financial statements of Sandpiper Digital Payments AG as per 30 June 2018

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

- λ for the assets and liabilities at the year-end exchange rates,
- λ for equity at historical exchange rates,
- λ and for the income statement and statement of cash flows at average annual exchange rates.
- λ 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:

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

Other fixed assets:

λ	Furniture	3-5 years
λ	IT equipment	3-5 years
λ	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:

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

- λ when the Group has a present legal or constructive obligation as a result of past events
- λ when it is probable that an outflow of resources will be required to settle the obligation, and
- λ 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 "Sammelstiftung BVG der Allianz Suisse Lebensversicherungsgesellschaft", 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

In May 2019 InterCard Group could increase its stake in Polyright SA from 29.4% to 52% by the conversion of the convertible loan. Consequently Polyright SA is consolidated since May 2019. Goodwill of EUR 0.4 million resulting from the conversion is offset with equity.

SANDPIPER disposed PAIR Solutions GmbH in December 2018. At the time of the disposal PAIR Solutions GmbH main balance sheet items were:

EUR	EUR	EUR	EUR
Licenses and other rights	24'044	Equity	-548'287
Property, plant and equipment	338	Non-current liabilities	559'513
Other short term assets	10'178	Trade payables	65'385
Trade receivables	50'647	Other liabilities	13'760
Cash	20'849	Accrued expenses	15'685
Total assets	106'056	Total liabilities and equity	106'056

Also in 2018, E24 AG entered into a strategic partnership with OPS360 GmbH. OPS360 has extensive experience in strategic and operational parking management and control and complements the e24 solution portfolio. Together they fulfil all the requirements of holistic parking management. In the future, they will be able to offer the customer a fully integrated overall solution with a coordinated range of services for all areas from a single source. As part of the partnership OPS360 acquired 20% of e24 AG. The consideration received of EUR 0.1 million is allocated to the Minority shareholders in shareholder equity.

2. Financial assets

EUR	30.06.2019	31.12.2018	Change
Investments in associates	286'093	485'445	-41.1%
Other investments	557'181	776'038	-28.2%
Other non-current financial receivables from third parties	938'942	1'166'641	-19.5%
Allowance on non-current financial assets	-757'181	-757'181	0.0%
Total	1'025'035	1'670'944	-38.7%

Investments in associates contain the 26.7% in Playpass NV. The decrease is due to the net loss of the period.

Other investments contain fully impaired investments in companies in liquidation and participations in companies where the Group does not have significant influence.

Since Polyright SA is fully consolidated since May 2019, the convertible loan and the equity investment are no longer part of the financial assets.

3. 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	30.06.2019	31.12.2018
Reported equity including minority shareholders	-1'099'992	-1'047'449
Equity financing	n/a	n/a
Historical cost goodwill		
At the beginning of the financial year	20'133'335	20'133'335
Additions	408'728	0
Derecognition	-11'419'416	0
At the end of the financial year	9'122'647	20'133'335
Accumulated amortization		
At the beginning of the financial year	16'658'753	12'695'721
Additions	885'016	3'963'033
Derecognition	-11'419'416	0
At the end of the financial year	6'124'353	16'658'753
Theoretical net book value of goodwill	2'998'294	3'474'582
Theoretical equity including minority shareholders and goodwill	1'898'302	2'427'133
Theoretical equity financing	9.2%	12.9%
Impact of the theoretical amortization of goodwill on net income:		
Income statement in EUR	01.01.2019 30.06.2019	01.01.2018 30.06.2018
Reported net income	276'596	-1'091'387
Theoretical amortization of goodwill	-885'016	-2'013'334
Net income after amortization of goodwill	-608'420	-3'104'721

Fully amortized goodwill from the acquisition of Multicard Nederland BV in 2014 was derecognized.

The acquisition of Polyright SA in 2019 led to goodwill of EUR 0.4 million.

4. Segment information

Net revenue in the operating segments (in EUR):

01.01.2018 30.06.2018	Mobility & Retail	Education & Corporate	Security & Services	Investing activities	Elimination	Total
Third parties	795'308	7'101'224	4'804'465	0	0	12'700'997
Group	0	0	26'417	0	-26'417	0
Net Sales	795'308	7'101'224	4'830'882	0	-26'417	12'700'997
Net income	-244'829	-132'543	-229'262	-484'753	0	-1'091'387

01.01.2019 30.06.2019	Mobility & Retail	Education & Corporate	Security & Services	Investing activities	Elimination	Total
Third parties	0	8'411'306	5'225'149	0	0	13'636'455
Group	0	0	21'153	0	-21'153	0
Net Sales	0	8'411'306	5'246'302	0	-21'153	13'636'455
Net income	0	296'926	-275'239	254'909	0	276'596

Net revenue in the regional markets:

EUR	01.01.2019 30.06.2019	01.01.2018 30.06.2018	Change
Switzerland	4'001'383	3'280'649	22.0%
Germany	9'382'071	8'578'644	9.4%
Netherlands	0	795'308	-100.0%
United Kingdom	168'681	49'294	242.2%
Other	105'473	23'519	348.4%
Eliminations	-21'153	-26'417	-19.9%
Total	13'636'455	12'700'996	7.4%

Due to the insolvency of Multicard Nederland BV revenues in Mobility & Retail and revenues in the Netherlands dropped to zero in 2019.

5. Earnings per share

Basic earnings per share

EUR	01.01.2019 31.06.2019	01.01.2018 31.06.2018
Net income attributable to shareholders of SANDPIPER	64'622	-1'097'528
Number of shares outstanding	208'325'028	203'455'778
Basic earnings per share	0.00	-0.01

Diluted earnings per share

EUR	01.01.2019 31.06.2019	01.01.2018 31.06.2018
Net income attributable to shareholders of SANDPIPER	64'622	-1'097'528
Interest on convertible loans	0	0
Adjusted net income	64'622	-1'097'528

EUR	30.06.2019	30.06.2018
Number of shares issued	211'695'028	211'695'028
Treasury shares	-3'370'000	-8'239'250
Potential number of shares from convertible loans	0	0
Potential number of shares outstanding	208'325'028	203'455'778
Diluted earnings per share	0.00	-0.01

6. Treasury shares

In 2018 SANDPIPER participated in the carve-out of BH Capital Management AG and traded 39'669 Mountain Partners AG shares against 6'239'250 SANDPIPER shares. Further 3'370'000 shares were purchased from the Ergonomics AG management. After an additional purchase of 10'584'751 shares from BH Capital Management AG, SANDPIPER sold to IMMD Management GmbH and Izifind Investments Limited 10'584'751 shares each.

During 2019 no treasury shares were traded.

	Number	Value	Volume
Opening balance 1.1.2018	0		0
Disposals	6'139'250	0.18	1'103'237
Acquisitions	2'100'000	0.08	174'782
Closing balance 30.06.2018	8'239'250	0.16	1'278'018
Acquisitions	16'300'252	0.14	2'220'944
Disposals	-21'169'502	0.14	-3'018'451
Closing balance 31.12.2018	3'370'000	0.14	480'511
Closing balance 30.06.2019	3'370'000	0.14	480'511

7. Events after the balance sheet date

There were no subsequent events with effect on the financial statements as per 30 June 2019.

The interim financial statements as per 30 June 2018 were approved by the board of directors on 26 August 2019.

8. Subsidiaries and participations

Company name	Country	Registered Office	Segment	Share capital in 1'000	Share of capital in %	Share of voting rights in %	Method
AZEGO Technology Services (US) Inc.	USA	Ramsey	IA	USD 50	15	15	B
AZEGO TS Ltd.	UK	Reading	IA	GBP 400	10	10	B
Control Systems GmbH & Co. KG	Germany	Villingen-Schwenningen	CC	EUR 15	26	26	V
COSMO.ID GmbH	Germany	Villingen-Schwenningen	CC	EUR 25	26	26	V
E24 AG	Switzerland	Zurich	SS	CHF 250	80	80	V
Ergonomics AG	Switzerland	Zurich	SS	CHF 800	100	100	V
IDpendant GmbH	Germany	Unterschleißheim	SS	EUR 25	54	54	V
InterCard AG Informationssysteme	Germany	Villingen-Schwenningen	CC	EUR 1'670	51	51	V
InterCard GmbH Kartensysteme	Germany	Villingen-Schwenningen	CC	EUR 1'600	51	51	V
IntraKey technologies AG	Germany	Dresden	CC	EUR 100	51	51	V
Mobile Services GmbH	Germany	Villingen-Schwenningen	CC	EUR 105	51	51	V

Multi-Access AG	Switzerland	Adliswil	CC	CHF 100	51	51	V
Multicard GmbH	Germany	Villingen-Schwenningen	CC	EUR 30	51	51	V
Multicard Nederland B.V.	Netherlands	Oud-Beijerland	SE	EUR 18	0	0	B
Playpass NV	Belgium	Antwerp	SS	EUR 212	27	27	E
Polyright AG	Switzerland	Sion	CC	CHF 1'250	52	52	V
Prima Live Ltd.	Malta	Mosta	IA	EUR 7	17	17	B
Professional Services GmbH Datentechnik	Germany	Villingen-Schwenningen	CC	EUR 60	35	35	V
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

V Full consolidation

E Equity Method

Q Proportionate consolidation

B Current Value

Segments

IA Investing activities

EC Education & Corporate

MR Mobility & Retail

SS Security & Services

During 2019 the stake in Polyright SA was increased from 29% to 52% by converting a loan. As part of that transaction Polyright SA increased its share capital from CHF 850k to CHF 1'250k.

Due to the bankruptcy of Multicard Nederland BV SANDPIPER has no more voting rights.