

Sandpiper Digital Payments AG

Interim Financial Statements

as per 30 June 2022



Financial review

Environment

Sandpiper Digital Payments AG (“Group”, “SDPN” or “SANDPIPER”), www.sandpiper.ch, is a stock-listed technology holding company based in St. Gallen, Switzerland. SANDPIPER is 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

After the disposal of InterCard AG Informationssysteme, only Ergonomics AG with its 100% subsidiary e24 AG remain in the scope of consolidation. Operating income significantly reduced from EUR 13.4 million to EUR 2.0 million due to the deconsolidation of InterCard AG Informationssysteme in 2021.

The balance sheet total of SANDPIPER Group is significantly reduced from EUR 3.9 million to EUR 2.6 million. The reduction mainly results from the payment of account payables (EUR 0.8 million) and the repayment of bank loans (EUR 0.3 million).

Key figures:

EUR	30.06.2022	31.12.2021	Change
Total assets	2'551'906	3'907'369	-34.7%
Shareholders equity attributable to SDPN shareholder	-278'378	58'186	-578.4%
Shares outstanding	208'325'028	208'325'028	0.0%
NAV per share	0.00	0.00	

EUR	01.01.2022 30.06.2022	01.01.2021 30.06.2021	Change
Operating income	1'973'538	13'375'188	-85.2%
Earnings before interests and taxes (EBIT)	-330'340	132'229	-349.8%
Earnings before interests, taxes, depreciation and amortization (EBITDA)	-143'778	665'895	-121.6%
Net result attributable to SDPN shareholder	-334'079	604'690	-155.2%
Basic earnings per share	0.00	0.00	
Diluted earnings per share	0.00	0.00	

SANDPIPER borrowed CHF 0.2 million to cover liquidity needs mainly for operations. The Board of Directors of the Company has approved the borrowing and lenders have also agreed.

Shareholders' equity attributable to SDPN shareholder decreased due to the current period loss to EUR -0.3 million.

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

Ergonomics AG and e24 AG lost sales volume of EUR 0.6 million compared to prior year. E24 AG sold its parking business in prior year which generated revenue of EUR 0.2 million in prior period. Ergonomics AG recorded a decrease in sales of EUR 0.4 million.

The reduced sales volume negatively affected profitability of e24 AG and Ergonomics AG. On top, the one-time gain in prior year from the disposal of the parking business of EUR 0.2 million reduced profitability, too. As a positive effect from the Group restructuring, holding costs could be reduced by EUR 0.1 million.

Outlook

After the disposal of InterCard AG Informationssysteme and the parking business of e24 AG consolidated revenues will decline significantly in 2022. The management expects a revenue level of around EUR 4.8 million in 2022.

The Company still has a receivable in an estimated amount of EUR 0.1 million from the insolvency proceedings of the Payment Solutions Group. The amount of the claim cannot be stated exactly as the insolvency proceedings have not yet been completed. However, it is expected that the insolvency proceedings will be terminated in 2024 and that the final receivable will be received by the Company in part accordingly.

The Company is currently seeking to structure an alternative transaction to Raffles. To this end, SANDPIPER is in discussions with various target companies and also various corporate finance companies that are interested to enter into a cooperation with the Company. The Company will inform according to the progress of the before mentioned discussions.

Consolidated balance sheet of Sandpiper Digital Payments AG

Assets

EUR	30.06.2022	31.12.2021	Change
Cash and cash equivalents	389'211	1'248'359	-68.8%
Trade receivables	674'673	1'104'848	-38.9%
Other short term receivables	72'563	89'908	-19.3%
Inventories	296'423	265'417	11.7%
Prepayments and accrued income	26'542	12'421	113.7%
Total current assets	1'459'412	2'720'953	-46.4%
Property, plant and equipment	127'271	153'041	-16.8%
Financial assets	389'943	394'741	-1.2%
Intangible assets	523'870	582'619	-10.1%
Other non-current assets	51'409	56'016	-8.2%
Total non-current assets	1'092'494	1'186'416	-7.9%
TOTAL ASSETS	2'551'906	3'907'369	-34.7%

Equity and liabilities

EUR	Notes	30.06.2022	31.12.2021	Change
Financial debts		233'821	175'854	33.0%
Trade payables		367'846	1'162'848	-68.4%
Other liabilities		99'701	238'703	-58.2%
Provisions		227'398	229'882	-1.1%
Accrued expenses		697'695	543'002	28.5%
Total current liabilities		1'626'461	2'350'288	-30.8%
Financial debts		1'203'822	1'498'895	-19.7%
Total non-current liabilities		1'203'822	1'498'895	-19.7%
Total liabilities		2'830'283	3'849'183	-26.5%
Share capital		1'661'554	1'661'554	0.0%
Capital reserves		-172'427	-171'323	-0.6%
Treasury shares		-448'731	-448'731	0.0%
Retained earnings and translation differences		-984'695	-646'922	-52.2%
Net result		-334'079	-336'392	0.7%
Total equity		-278'378	58'186	-578.4%
Total equity and liabilities		2'551'906	3'907'369	-34.7%

Consolidated income statement of Sandpiper Digital Payments AG

EUR	Notes	01.01.2022 30.06.2022	01.01.2021 30.06.2021	Change
Net Revenue		1'967'107	13'019'519	-84.9%
Other operating income		6'431	355'669	-98.2%
Total operating income		1'973'538	13'375'188	-85.2%
Change in inventories		34'453	222'906	-84.5%
Material expenses		-374'971	-4'932'735	92.4%
Personnel expense		-1'275'935	-6'134'852	79.2%
Depreciation and impairment on tangible assets		-24'052	-102'802	76.6%
Amortization and impairment of intangible assets		-162'510	-430'864	62.3%
Other operating expenses		-495'900	-2'102'396	76.4%
Total operating expenses		-2'298'914	-13'480'744	82.9%
Operating result		-325'377	-105'556	-208.2%
Financial expense		-18'278	-180'621	89.9%
Financial income		16'050	869'281	-98.2%
Financial result		-2'228	688'660	-100.3%
Ordinary result		-327'605	583'104	-156.2%
Non-operating income		0	241'441	-100.0%
Non-operating expense		-4'963	-3'656	-35.8%
Non-operating result		-4'963	237'785	-102.1%
Profit before taxes		-332'568	820'889	-140.5%
Income taxes		-1'511	-64'990	97.7%
Net result		-334'079	755'899	-144.2%
Attributable to:				
Shareholders of Sandpiper Digital Payments AG		-334'079	604'690	-155.2%
Non-controlling interests		0	151'209	-100.0%
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	01.01.2022 30.06.2022	01.01.2021 30.06.2021	Change
Net result		-334'079	755'899	-144.2%
Depreciation and amortization of non-current assets		186'562	533'667	-65.0%
Non-cash income		-150'139	-5'640'204	97.3%
Share-based compensation		-1'104	-2'218	50.2%
Changes in provisions		-2'483	-2'193'409	99.9%
Changes in trade receivables		430'175	1'327'063	-67.6%
Changes in inventories		-31'006	2'469'158	-101.3%
Changes in other receivables and and accrued income		3'225	1'723'277	-99.8%
Changes in trade payables		-795'002	-98'610	-706.2%
Changes in other liabilities and accrued expenses		15'692	-1'907'376	100.8%
Cash flows from operating activities		-678'161	-3'032'753	77.6%
Investments in property, plant and equipment		0	-61'214	100.0%
Disposal of property, plant and equipment		0	1'476	-100.0%
Investments in intangible assets		-110'545	-183'815	39.9%
Cash flow from investing activities		-110'545	-243'553	54.6%
Dividend paid to non-controlling interests		0	-9'242	100.0%
Repayment of financial debts		-271'040	-70'000	-287.2%
Borrowing of current financial debts		193'477	0	100.0%
Cash flow from financing activities		-77'563	-79'242	2.1%
Net impact of foreign exchange rate differences on cash		7'121	24'747	-71.2%
Change in cash and cash equivalents		-859'148	-3'330'801	74.2%
Verification:				
At beginning of year		1'248'359	4'656'532	-73.2%
At end of year		389'211	1'325'732	-70.6%
Change in cash and cash equivalents		-859'148	-3'330'801	74.2%

Consolidated statement of changes in equity of Sandpiper Digital Payments AG

EUR	Share capital	Capital reserves	Treasury shares	Retained earnings	Equity attributable to SDPN share-holders	Minority share-holders	Total equity
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 profit	0	0	0	604'690	604'690	151'209	755'899
Share-based compensation	0	-2'218	0	0	-2'218	0	-2'218
Disposal of InterCard Group	0	0	0	0	0	-2'023'617	-2'023'617
Acquisition / Goodwill offsetting	0	0	0	3'831'388	3'831'388	0	3'831'388
Dividends paid	0	0	0	0	0	-9'242	-9'242
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
Net loss	0	0	0	-941'082	-941'082	-24'717	-965'798
Share-based compensation	0	6'280	0	0	6'280	0	6'280
Goodwill recycling InterCard	0	0	0	643'364	643'364	0	643'364
Purchase of minority shareholders e24 ag	0	0	0	0	0	-108'264	-108'264
Currency translation	0	0	0	13'717	13'717	764	14'481
Balance at 31.12.2021	1'661'554	-171'323	-448'731	-983'314	58'186	0	58'186
Net loss	0	0	0	-334'079	-334'079	0	-334'079
Share-based compensation	0	-1'104	0	0	-1'104	0	-1'104
Currency translation	0	0	0	-1'381	-1'381	0	-1'381
Balance at 30.06.2022	1'661'554	-172'427	-448'731	-1'318'774	-278'378	0	-278'378

Share capital of Sandpiper Digital Payments AG consists of 211'695'028 registered shares with a nominal value of CHF 0.01 (prior year 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 to extend the deadline for an authorized capital increase by two years:

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

The conditional capital remains unchanged:

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 2022

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.

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

During the first half year 2022 there were neither business combinations nor any disposals.

In prior year, the Annual General Meeting decided to drastically reduce the company's debt by offsetting with InterCard AG Informationssysteme shares. The offset with InterCard AG Informationssysteme shares led to the deconsolidation as of 30 June 2021. At the time of the initial consolidation the main balance sheet items were:

EUR	30.06.2022	EUR	30.06.2022
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 the first semester 2021 InterCard Group contributed KEUR 10'779 operating income to the consolidated accounts of SANDPIPER.

Goodwill of originally KEUR 4'475 was recycled (increasing equity) and is subsequently derecognized (see note 5).

2. Financial assets

EUR	30.06.2022	31.12.2021	Change
Other investments	429'681	429'681	0.0%
Other non-current financial receivables from third parties	389'943	394'741	-1.2%
Allowance on non-current financial assets	-429'681	-429'681	0.0%
Total	389'943	394'741	-1.2%

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 323 (prior year KEUR 327) and deposits of KEUR 67 (prior year KEUR 68).

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 31.12.2020 / 1.1.2021	335'747	345'402	687'680	1'368'828
Additions	0	47'306	34'746	82'053
Disposals	0	0	-2'896	-2'896
Reclassifications	0	-40'959	-762'264	-803'223
Translation differences	15'304	13'764	-1'180	27'888
Historical cost 31.12.2021	351'051	365'513	-43'914	672'650
Additions	0	0	0	0
Disposals	0	0	0	0
Change in scope of consolidation	0	0	0	0
Translation differences	-4'279	-4'425	0	-8'705
Historical cost 30.06.2022	346'772	361'088	-43'914	663'946
Accumulated depreciation 31.12.2020 / 1.1.2021	-231'132	-291'086	-334'661	-856'879
Annual depreciation	-21'275	-39'159	-70'774	-131'207
Disposals	0	0	1'419	1'419
Reclassifications	0	43'639	446'989	490'628
Translation differences	-11'524	-12'987	941	-23'571
Accumulated depreciation 31.12.2021	-263'931	-299'593	43'914	-519'609
Annual depreciation	-13'469	-10'582	0	-24'052
Disposals	0	0	0	0
Change in scope of consolidation	0	0	0	0
Translation differences	3'300	3'687	0	6'987
Accumulated depreciation 30.06.2022	-274'100	-306'488	43'914	-536'674
Net book value 31.12.2020	104'615	54'316	353'018	511'950
Net book value 31.12.2021	87'120	65'921	0	153'041
Net book value 30.06.2022	72'671	54'600	0	127'271

4. Intangible Assets

EUR	Licenses	Development Costs	Total
Historical cost 31.12.2020 / 1.1.2021	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	322'653	323'428
Disposals	0	-476'829	-476'829
Translation differences	-41	99'168	99'126
Historical cost 31.12.2021	0	2'815'713	2'815'713
Additions	0	110'545	110'545
Translation differences	0	-34'671	-34'671
Historical cost 30.06.2022	0	2'891'587	2'891'587
Accumulated amortization 31.12.2020 / 1.1.2021	-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	-480'216	-592'892
Amortization on disposals	0	477'307	477'307
Translation differences	17	-89'118	-89'101
Accumulated amortization 31.12.2021	0	-2'233'094	-2'233'094
Annual amortization	0	-162'510	-162'510
Translation differences	0	27'888	27'888
Accumulated amortization 30.06.2022	0	-2'367'717	-2'367'717
Net book value 31.12.2020	291'578	2'320'865	2'612'444
Net book value 31.12.2021	0	582'619	582'619
Net book value 30.06.2022	0	523'870	523'870

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	30.06.2022	31.12.2021
Reported equity including minority shareholders	-278'378	58'186
Equity financing	n/a	n/a
Historical cost goodwill		
At the beginning of the financial year	2'827'493	7'302'245
Disposals (recycled in equity)	0	-4'474'752
At the end of the financial year	2'827'493	2'827'493
Accumulated amortization		
At the beginning of the financial year	2'827'493	6'821'305
Additions	0	252'047
Disposals	0	-4'245'860
At the end of the financial year	2'827'493	2'827'493
Theoretical net book value of goodwill	0	0
Theoretical equity including minority shareholders and goodwill	-278'378	58'186
Theoretical equity financing	-10.9%	1.5%
Impact of the theoretical amortization of goodwill on net income:		
Income statement in EUR	01.01.2022 30.06.2022	01.01.2021 30.06.2021
Reported net income	-334'079	755'899
Theoretical amortization of goodwill	0	-252'047
Net loss after amortization/impairment of goodwill	-334'079	503'852
Disposals (recycled)	0	3'831'388
Net gain/loss after amortization/impairment and disposals of goodwill	-334'079	4'335'240

Goodwill was already fully amortized in prior year. There were no additions or disposals in 2022.

6. Financial debts

EUR	30.06.2022	31.12.2021	Change
Bank debts	0	135'520	-100.0%
Loans from related parties	193'979	0	0.0%
Covid-19 Loans	39'842	40'334	-1.2%
Total current financial liabilities	233'821	175'854	33.0%

EUR	30.06.2022	31.12.2021	Change
Loans from related parties	422'640	427'856	-1.2%
Loans from banks	0	135'520	-100.0%
Covid-19 loans	438'258	443'666	-1.2%
Other financial liabilities from related parties	342'924	491'853	-30.3%
Total non-current financial debts	1'203'822	1'498'895	-19.7%

Ergonomics AG could repay the outstanding bank loan tranches. Negotiations regarding a new credit line are ongoing. The Covid-19 loan is unchanged.

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.

SANDPIPER could borrow CHF 0.2 million to cover liquidity needs mainly for operations.

7. Segment information

Net revenue in the operating segments (in EUR):

01.01.2022 30.06.2022	Campus & Corporate	Security & Services	Investing activities	Elimination	Total
Third parties	0	1'967'107	0	0	1'967'107
Group	0	0	0	0	0
Net Sales	0	1'967'107	0	0	1'967'107
Net income	0	-98'014	-236'065	0	-334'079

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

Net revenue in the regional markets:

EUR	01.01.2022 30.06.2022	01.01.2021 30.06.2021	Change
Switzerland	1'127'980	4'527'423	-75.1%
Germany	683'333	8'497'090	-92.0%
United Kingdom	138'789	30'897	349.2%
Other	17'005	10'325	64.7%
Eliminations	0	-46'216	-100.0%
Total	1'967'107	13'019'519	-84.9%

Revenues decreased due to the disposal of InterCard Group in prior year.

8. Earnings per share

Basic earnings per share

EUR	01.01.2022 31.06.2022	01.01.2021 31.06.2021
Net income attributable to shareholders of SANDPIPER	-334'079	604'690
Number of shares outstanding	208'325'028	208'325'028
Basic earnings per share	0.00	0.00

Diluted earnings per share

EUR	01.01.2022 31.06.2022	01.01.2021 31.06.2021
Net income attributable to shareholders of SANDPIPER	-334'079	604'690
Interest on convertible loans	0	0
Adjusted net income	-334'079	604'690

EUR	30.06.2022	30.06.2021
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 2021 and in 2022 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 2022.

The interim financial statements as per 30 June 2022 were approved by the board of directors on 30 August 2022.

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	100	100	V
Ergonomics AG	Switzerland	Zurich	SS	CHF 800	100	100	V

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

In June 2021, SANDPIPER netted outstanding debts with the shares of InterCard Informationssysteme AG. As a consequence, the whole InterCard Group was deconsolidated.

In December 2021, the 20% minority interests in e24 AG were purchased. SANDPIPER holds now 100% of the shares and voting rights.