Report of the auditor

with condensed consolidated interim financial statements as of 30 June 2015
of

Sandpiper Digital Payments AG, St. Gallen

Ernst & Young Ltd
Maagplatz 1
P.O. Box
CH-8010 Zurich

Phone +41 58 286 31 11
Fax +41 58 286 30 04
www.ey.com/ch

To the Board of Directors of
Sandpiper Digital Payments AG, St. Gallen

Zurich, 12 November 2015

Report of the auditor on the condensed consolidated interim financial statements

As auditor and in accordance with your instructions, we have audited the accompanying condensed consolidated interim financial statements of Sandpiper Digital Payments AG, which comprise balance sheet, income statement, cash flow statement, statement of changes in equity and condensed notes, for the period from 1 January 2015 to 30 June 2015.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of these condensed consolidated interim financial statements in accordance with the requirements of Swiss GAAP FER 31 – Interim Reporting. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these condensed consolidated interim financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the condensed consolidated interim financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the condensed consolidated interim financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed consolidated interim financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the condensed consolidated interim financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the condensed consolidated interim financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the condensed consolidated interim financial statements for the period ended 30 June 2015 are prepared, in all material respects, in accordance with Swiss GAAP FER 31 – Interim Reporting.

Other Matter
The comparative financial information included in the condensed consolidated interim financial statements was not audited.

Ernst & Young Ltd

Michael Bugs	Marco Casal
Licensed audit expert	Licensed audit expert
(Auditor in charge)	

Enclosure
- Condensed consolidated interim financial statements (balance sheet, income statement, cash flow statement, statement of changes in equity and condensed notes)

Consolidated balance sheet of Sandpiper Digital Payments AG

Assets

EUR	30.06.2015	31.12.2014	Change
Cash and cash equivalents	2'185'850	4'582'367	-52.3%
Trade receivables	2'450'312	2'331'583	5.1%
Other short term receivables	906'677	891'695	1.7%
Inventories	734'811	654'751	12.2%
Prepayments and accrued income	1'026'985	248'551	313.2%
Total current assets	7'304'634	8'708'946	-16.1%
Property, plant and equipment	2'144'295	2'207'496	-2.9%
Financial assets	1'899'000	1'392'781	36.3%
Intangible assets	987'533	984'409	0.3%
Total non-current assets	5'030'827	4'584'685	9.7%
TOTAL ASSETS	12'335'462	13'293'632	-7.2%

Equity and liabilities

EUR	30.06.2015	31.12.2014	Change
Financial debts	446'090	258'182	72.8%
Trade payables	2'326'966	3'323'918	-30.0%
Other liabilities	2'361'726	4'680'816	-49.5%
Provisions	2'415'794	2'272'069	6.3%
Accrued expenses	1'133'832	897'995	26.3%
Total current liabilities	8'684'408	11'432'980	-24.0%
Financial debts	3'627'901	1'037'538	249.7%
Provisions	4'305'602	4'041'552	6.5%
Total non-current liabilities	7'933'503	5'079'091	56.2%
Total liabilities	16'617'911	16'512'071	0.6%
Share capital	11'087'226	11'087'226	0.0%
Capital reserves	29'416'740	29'416'740	0.0%
Treasury shares	-442'653	0	100.0%
Retained earnings and translation differences	-43'389'716	-39'792'541	9.0%
Net loss	-613'379	-3'532'101	-82.6%
Equity of the Sandpiper Digital Payments shareholders	-3'941'782	-2'820'676	39.7%
Minority shareholders	-340'667	-397'764	100.0%
Total equity	-4'282'449	-3'218'439	33.1%
Total equity and liabilities	12'335'462	13'293'632	-7.2%

Consolidated income statement of Sandpiper Digital Payments AG

EUR	1.1.2015 30.6.2015	1.1.2014 30.6.2014	Change
Revenue	9'776'240	35'751	27245.4%
Other operating income	132'975	0	100.0%
Total operating income	9'909'215	35'751	27617.3%
Direct portfolio expenses	0	-257'651	-100.0%
Material expenses	-3'327'715	0	100.0%
Personnel expense	-4'979'855	0	100.0%
Depreciation on tangible assets	-272'901	0	100.0%
Amortization of intangible assets	-143'975	0	100.0%
Other operating expenses	-2'279'970	-132'990	1614.4%
Total operating expenses	-11'004'415	-390'641	2717.0%
Operating result	**-1'095'200**	**-354'890**	**208.6%**
Share of result from associates	-126'346	0	100.0%
Financial expense	-427'162	-135	316316.0%
Financial income	595'317	11'704	4986.4%
Financial result	41'810	11'569	261.4%
Ordinary result	**-1'053'390**	**-343'321**	**206.8%**
Non-operating income	441'910	0	100.0%
Non-operating expense	-228	0	100.0%
Non-operating result	441'682	0	100.0%
Loss before taxes	**-611'708**	**-343'321**	**78.2%**
Income taxes	-4'739	0	100.0%
Net loss	**-616'447**	**-343'321**	**79.6%**
Attributable to:			
Shareholders of Sandpiper Digital Payments AG	-613'379	-343'321	78.7%
Minority shareholders	-3'068	0	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	147'454'488	103'201'875	

SANDPIPER
DIGITAL PAYMENTS

Consolidated statement of cash flows of Sandpiper Digital Payments AG

EUR	1.1.2015 30.6.2015	1.1.2014 30.6.2014	Change
Net loss	-616'447	-343'321	79.6%
Depreciation and amortization of non-current assets	416'875	842'286	-50.5%
Loss/profit on sale of fixed assets	0	92'261	-100.0%
Changes in provisions	407'774	-95'765	-525.8%
Share of result from associates	-126'346	0	100.0%
Changes in trade receivables	-118'729	0	100.0%
Changes in inventories	-80'060	0	100.0%
Changes in other receivables and accrued income	-793'416	-386'726	105.2%
Changes in trade payables	-996'952	-32'784	2941.0%
Changes in other liabilities and accrued expenses	-2'083'252	-209'571	894.1%
Cash flow from operating activities	-3'990'553	-133'620	2886.5%
Investments in property, plant and equipment	-209'700	0	100.0%
Investments in financial assets	-379'873	0	100.0%
Proceeds from sale of financial assets	0	353'625	-100.0%
Investments in intangible assets	-147'099	0	100.0%
Cash flow from investing activities	-736'671	353'625	-308.3%
Purchase/sale of treasury shares	-442'653	0	100.0%
Change in current financial debts	187'908	0	100.0%
Change in non-current financial debts	2'590'362	0	100.0%
Cash flow from financing activities	2'335'618	0	100.0%
Net impact of foreign exchange rate differences on cash	-4'910	-1'046	369.4%
Change in cash and cash equivalents	**-2'396'517**	**218'959**	**-1194.5%**
Verification:			
At beginning of period	4'582'367	33'062	13759.9%
At end of period	2'185'850	252'021	767.3%
Change in cash and cash equivalents	**-2'396'517**	**218'959**	**-1194.5%**

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 share-holders	Total equity
Balance at 31.12.2013	7'146'965	23'604'221	0	-3'908'958	26'842'228	0	26'842'228
Net loss	0	0	0	-343'321	-343'321	0	-343'321
Capital increase	0	0	0	0	0	0	0
Acquisition / Goodwill offsetting	0	0	0	0	0	0	0
Currency translation	0	0	0	0	0	0	0
Balance at 30.06.2014	7'146'965	23'604'221	0	-4'252'280	26'498'906	0	26'498'906
							0
Net loss	0	0	0	-3'188'779	-3'188'779	-50'487	-3'239'267
Capital increase	3'940'261	5'812'519	0	0	9'752'780	0	9'752'780
Acquisition / Goodwill offsetting	0	0	0	-35'881'605	-35'881'605	-347'276	-36'228'881
Currency translation	0	0	0	-1'977	-1'977	0	-1'977
Balance at 31.12.2014	11'087'226	29'416'740	0	-43'324'641	-2'820'676	-397'764	-3'218'439
Net loss	0	0	0	-613'379	-613'379	-3'068	-616'447
Capital increase	0	0	0	0	0	0	0
Transactions with treasury shares	0	0	-442'653	0	-442'653	0	-442'653
Currency translation	0	0	0	-65'074	-65'074	60'164	-4'910
Balance at 30.06.2015	11'087'226	29'416'740	-442'653	-44'003'095	-3'941'782	-340'667	-4'282'449

Share capital of Sandpiper Digital Payments AG consists of 151'294'892 (prior year 103'201'875) registered shares with a nominal value of CHF 0.10 each.

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

The shareholders decided on the shareholders' meeting on 27 July 2015:

Authorized capital increase, maximum	CHF	7’564’744.60
thereof used		0
Conditional capital increase, maximum	CHF	3'440'063
thereof used		0

Condensed notes to the consolidated interim financial statements of Sandpiper Digital Payments AG as per 30 June 2015

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 "SDP") and have been prepared in accordance with the existing guidelines relating to the guidance on interim reporting set out in of Swiss GAAP FER 31. Swiss GAAP FER 31 permits condensations in presentation and disclosure compared to an annual financial statement. These condensed interim financial statements should be read in conjunction with the financial statements as of 31 December 2014.

The 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 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 holds less than 20% of the voting rights and does not have significant influence are carried at the current value.

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 accounts and reported in the income statement as part of the gain or loss on the sale.

Change in accounting policies

First time adoption of Swiss GAAP FER 31

SWISS GAAP FER 31 Complementary recommendation for listed companies was enacted and adopted by Sandpiper Digital Payments AG as per 1 January 2015. It is applicable for listed company's separate or consolidated financial statements. This recommendation aims at improving the significance of the respective financial statements. Thereby the specifics in the sense of public accountability and thus the increased requirements regarding transparency and international comparability can be responded to.

The new recommendation contains regulations regarding:

- Share based payments,
- Discontinued operations,
- Earnings per ownership right,
- Income taxes,
- Financial liabilities,
- Segment reporting
- Interim reporting

The first time adoption of Swiss GAAP FER 31 did not impact the any valuation.

Accounting principles

The financial statements are based on the principle of historical acquisition costs. A separate valuation concept is applied for assets and liabilities.

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.

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.

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 the current value.

Derivative financial instruments
Derivative financial instruments are only 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.

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. 5 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.

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 "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.

Annotations to the consolidated financial statements

1. Business combinations

In 2015, Sandpiper Digital Payments did not purchase any new subsidiary. In April 2015, the 100% subsidiary PAIR Solutions GmbH was founded.

The following companies were consolidated in 2014 for the first time:

- Polyright AG, Sion, Switzerland (acquired as per 15 October 2014)
- Payment solution AG, Hamburg, Germany (acquired as per 15 October 2014)
- Multicard NL B.V, Out-Beijerland, Netherlands (acquired as per 15 October 2014)
- Ergonomics AG, Zurich, Switzerland (acquired as per 31 October 2014)

The significant acquired balance sheet items of as per 15 October 2014 and 31 October are:

In kEUR	
Cash and cash equivalents	740
Trade receivables	2’043
Other current assets	1’657
Non-current assets	2’966
Current liabilities	6’990
Non-current financial liabilities	18’232

For the acquisition of the four companies the Group paid KEUR 31’330. Goodwill of KEUR 35'730 resulted from the transaction.

In the consolidated statement of cash flows the Group discloses the excess of the purchase price over the net asset acquired, as “Investments in subsidiaries”. The acquired balances sheet items (such as trade receivables etc.) are included in the consolidated cash flow statement in the corresponding balance sheet movements.

In 2014 the participation in the following company was disposed:

- Mountain Partners AG, St. Gallen, Switzerland

2. Financial assets

EUR	30.06.2015	31.12.2014	Change
Investments in associates	1'245'775	1'367'807	-8.9%
Other investments	2'155'272	1'527'022	41.1%
Allowance on financial assets	-1'502'048	-1'502'048	0.0%
Total	1'899'000	1'392'781	36.3%

Investments in associates contain the 25% investment in InterCard AG. In 2015, Sandpiper Digital Payments AG acquired strategic investments in PlayPass NV and SmartLoyalty AG. They are presented in other investments. 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.

3. Other liabilities

EUR	30.06.2015	31.12.2014	Change
Other liabilities to third parties	2'232'831	2'594'638	-13.9%
Other liabilities to shareholders	0	2'075'103	-100.0%
Other liabilities to related parties	128'895	11'075	1063.8%
Total	2'361'726	4'680'816	-49.5%

4. Financial debts

EUR	30.06.2015	31.12.2014	Change
Bank debts	391'836	258'182	51.8%
Other financial liabilities	54'255	0	100.0%
Total current financial debts	446'090	258‘182	72.8%

EUR	30.06.2015	31.12.2014	Change
Loans from related parties	598'052	573'597	4.3%
Loans from banks	442'670	463'941	-4.6%
Convertible Loans	2'587'179	0	100.0%
Total non-current financial debts	3'627'901	1'037'538	249.7%

There are no non-current financial liabilities with a duration of more than 5 years.

Sandpiper Digital Payments AG issued KEUR 2’587 (KCHF 2’700) convertible loans. They are carried at nominal value. The interest rate applied is 4%. The loans can be converted until April 2017 in case of a capital increase or a take-over of the company. Minimum conversion price is defined as CHF 0.30 per newly issued share. Therefore maximum number of potential shares from a conversion is 9 million.

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	30.06.2015	31.12.2014
Reported equity including minority shareholders	-4'282'449	-3'582'588
Equity financing	n/a	n/a
Historical cost goodwill		
At the beginning of the financial year	35'881'605	0
Additions	0	35'881'605
Disposals	0	0
At the end of the financial year	35'881'605	35'881'605
Accumulated amortization		
At the beginning of the financial year	1'474'738	0
Additions	3'588'161	1'474'738
Disposals	0	0
At the end of the financial year	5'062'899	1'474'738
Theoretical net book value of goodwill	30'818'706	34'406'867
Theoretical equity including minority shareholders and goodwill	26'536'257	30'824'279
Theoretical equity financing	61.5%	64.6%
Impact of the theoretical amortization of goodwill on net income:		

Income statement in EUR	1.1.2015 30.6.2015	1.1.2014 30.6.2014
Reported net loss	-616'447	-343'321
Theoretical amortization of goodwill	-3'588'161	0
Net loss after amortization of goodwill	-4'204'608	-343'321

6. Segment information

Net revenue in the operating segments (in EUR):

01.01.2014 30.06.2014	Polyright	Multicard	Payment Solutions	Investing activities	Elimination	Total
Third parties	0	0	0	35'751	0	35'751
Group	0	0	0	0	0	0
Net Sales	0	0	0	35'751	0	35'751
Net income	0	0	0	-343'321	0	-343'321

01.01.2015 30.06.2015	Polyright	Multicard	Payment Solutions	Investing activities	Elimination	Total
Third parties	1'743'729	1'875'990	6'048'372	108'149	0	9'776'240
Group	0	13'000	418'822	0	-431'822	0
Net Sales	1'743'729	1'888'990	6'467'194	108'149	-431'822	9'776'240
Net income	-390'136	296'038	-1'914'287	-237'161	1'629'098	-616'447

Net revenue in the regional markets:

EUR	01.01.2015 30.06.2015	01.01.2014 30.06.2014	Change
Switzerland	5'497'836	22'416	24426.4%
Germany	2'551'983	13'335	19037.5%
Netherlands	1'418'155	0	100.0%
United Kingdom	77'841	0	100.0%
Other	662'248	0	100.0%
Eliminations	-431'822	0	100.0%
Total	9'776'240	35'751	27245.4%

With the acquisitions in October 2014 the Group's business model changed from an investment company to a technology company. Therefore segment information was completely revised.

SANDPIPER
DIGITAL PAYMENTS

7. Earnings per share

Basic earnings per share

EUR	01.01.2015 30.06.2015	01.01.2014 30.06.2014
Net income attributable to shareholders of Sandpiper Digital Payments AG	-613'379	-343'321
Number of shares outstanding	147'454'488	103'201'875
Basic earnings per share	-0.00	-0.00

Diluted earnings per share

EUR	01.01.2015 30.06.2015	01.01.2014 30.06.2014
Net income attributable to shareholders of Sandpiper Digital Payments AG	-613'379	-343'321
Interest on convertible loans	22'835	0
Adjusted net income	-590'544	-343'321

EUR	30.06.2015	30.06.2014
Number of shares issued	151'294'892	103'201'875
Treasury shares	-3'840'404	0
Potential number of shares from convertible loans	9'000'000	0
Potential number of shares outstanding	156'454'488	103'201'875

Diluted earnings per share	-0.00	-0.00

8. Treasury shares

As in prior year the Group is restrictive in holding treasury shares. During 2015 the company acquired 4.5 million shares which were used as part of the purchase price of SmartLoyalty AG. The residual 3’840’404 shares were used as part of the purchase price of Ergonomics AG in early July 2015. In prior year Sandpiper did not hold any treasury shares.

	Number	Price	Volume
Opening balance 1.1.2015	0		0
Acquisitions	4'500'000	0.12	518'679
Disposals	-659'596	0.12	-76'026
Closing balance 30.06.2015	3'840'404		442'653

9. Events after the balance sheet date

There were no subsequent events with effect on the financial statements as per 30 June 2015.

The financial statements 2015 were approved by the board of directors on 11 November 2015.

10. 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	I	USD 50	15	15	B
AZEGO TS Ltd.	UK	Reading	I	GBP 400	10	10	B
Carbon Equity AG	Switzerland	Zurich	I	CHF 1'199	32	32	E
E24 AG	Switzerland	Zurich	PS	CHF 250	51	51	V
Ergonomics AG	Switzerland	Zurich	PS	CHF 800	51	51	V
hattrick GmbH	Germany	Hamburg	PS	EUR 13	94	94	V
Herrenschmiede GmbH	Germany	Berlin	I	EUR 50	34	34	E
InterCard AG Informationssysteme	Germany	Villingen-Schwenningen	I	EUR 1'450	25	25	E
Kuponjo GmbH	Germany	Berlin	I	EUR 28	13	13	B
Multicard Netherland B.V.	Netherlands	Oud-Beijerland	M	EUR 18	100	100	V
payment solution AG	Germany	Hamburg	PS	EUR 595	94	94	V
payment solution services GmbH	Germany	Hamburg	PS	EUR 13	94	94	V
payment solution services Ltd.	UK	London	PS	GBP 2	94	94	V
PAIR Solutions GmbH	Germany	Elmshorn	PS	EUR 25	100	100	V
Playpass NV	Netherlands	Antwerp	I	EUR 97	13	13	
Polyright AG	Switzerland	Sion	P	CHF 400	100	100	V
Prima Live Ltd.	Malta		I	EUR 7	17	17	B
Rumble Media GmbH	Germany	Karlsruhe	I	EUR 160	1	1	B
SmartLoyalty AG	Germany	Wiesbaden	I	EUR 190	15	15	B
smava GmbH	Germany	Berlin	I	EUR 1'743	1	1	B

Consolidation method				Segments			
V	Full consolidation	E	Equity method	I	Investing activities	PS	Payment Solutions
Q	Proportionate consolidation	B	Current value	P	Polyright	M	Multicard

The participations in E24 AG, Ergonomics AG, InterCard AG Informationssysteme, Multicard Netherlands B.V., payment solution AG, payment solution services GmbH, payment solution services Ltd. and Polyright AG were acquired during 2014.

The Group disposed its participation in Mountain Partners AG in 2014.