

Engagement No. 2732/2022/15632

INTERNATIONAL SHOOTING SPORT FEDERATION - ISSF

MUNICH

REPORT REGARDING THE AUDIT

OF THE ANNUAL FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2022

(TRANSLATION – THE GERMAN VERSION IS AUTHORITATIVE)

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For computational reasons, rounding differences of \pm one unit (EUR, %, etc.) can occur in the tables.



A. AUDIT ENGAGEMENT

In accordance to the agreed engagement letter with the executive committee of

INTERNATIONALER SCHIESS-SPORTVERBAND E.V. - ISSF

MUNICH

(hereinafter also referred to as "ISSF" or "Association")

we have

the annual financial statements as of December 31, 2022 (Annexes 1 to 3) and

the bookkeeping system

in accordance with Article (§) 317 HGB [Handelsgesetzbuch: German Commercial Code] and the principles regarding the proper execution of statutory audits.

In accordance with the size characteristics designated in Article 267 para. 1 HGB, the association is to be classified as a small capital corporation. The audit was performed on a voluntary basis.

Pursuant to Article 321 para. 4a HGB, we confirm that we complied with the applicable provisions on independence in our statutory audit.

Hereinafter, we report about the nature and scope of the audit as well as its results. We make reference to Section C regarding the auditor's certificate.

We prepared the submitted audit report in conformity with the statutory provisions as well as according to the principles – established by the Institut der Wirtschaftsprüfer [(German) Institute of Public Auditors" (IDW) – which govern the proper auditing of audit reports (IDW PS 450 new version).

This report is addressed to the Internationaler Schiess-Sportverband e.V. - ISSF, München.

The "General Terms of Engagement for Public Auditors and Auditing Firms, dated January 1, 2017 (Annex 6) are authoritative for the performance of our engagement and for our responsibility, also in relation to third parties. We also refer, in addition, to the liability regulations included in Clause 9 of the General Terms of Engagement and to the exclusion of liability vis-à-vis third parties as well as to additional provisions of the enclosed Annex 5 "Supplement to the General Terms of Engagement".

B. BASIC STATEMENTS

Statement on the Management Report regarding Legal Representatives

Pursuant to Article 264 para. 1 sentence 4 of HGB (German Commercial Code), a management report was permissibly not prepared. Accordingly, we were unable to make a statement regarding the evaluation of the company's situation by the legal representatives according to Article 321 para. 1 sentence 2 of HGB.

C. RENDITION OF THE AUDITOR'S CERTIFICATE

According to the conclusive result of our audit, we issued the following unqualified auditor's certificate for the annual financial statements as of December 31, 2022 – enclosed as Annexes 1 to 3 – for the 2022 financial year of the Internationaler Schiess-Sportverband e.V. - ISSF, Munich:

"AUDITOR'S CERTIFICATE BY THE INDEPENDENT STATUTORY AUDITOR

To the Internationaler Schiess-Sportverband e.V. - ISSF, Munich

Audit Opinion

We audited the annual financial statements of Internationaler Schiess-Sportverband e.V. - ISSF, Munich, comprising the balance sheet as of December 31, 2022, and the profit and loss account for the financial years from January 1 to December 31, 2022, and notes to the financial statements, including the presentation of the recognition and valuation policies.

In our opinion and on the basis of knowledge gained in the audit, the enclosed annual financial statements are in compliance, in all material respects, with the provisions of German commercial law applicable for stock corporations, and provide a true and fair view of the assets, liabilities and financial position as of December 31, 2022 of the Association here at issue, as well as of its profit and earnings situation for the financial year from January 1 to December 31, 2022.

Pursuant to Article (§) 322 para. 3 sentence 1 of HGB, we declare that our audit did not result in any objections to the statutory compliance of the annual financial statements.

Basis for the Audit Opinion

We performed our audit of the annual financial statements in compliance with Article (§) 317 of HGB, taking into account the German Generally Accepted Standards of the proper statutory audit specified by the Institut der Wirtschaftsprüfer [Institute of Public Auditors]. Our responsibility according to these provisions and principles is further described in the section "Statutory Auditor's Responsibility for the Audit of the Annual Financial Statements". We are independent of the corporation in accordance with the requirements of the German commercial and professional law; also, with these requirements, we fulfilled our other German professional obligations in compliance with these requirements. We are of the opinion that the audit evidence which we obtained is adequate and appropriate to provide the basis for our audit opinion regarding the annual financial statements.

Responsibility of the Legal Representatives for the Annual Financial Statements

The legal representatives are responsible for the preparation of the annual financial statements in compliance with the German commercial law provisions, applicable for stock corporations and in all material respects; they are further responsible for the annual financial statements providing a corresponding view of the assets, financial and earnings situation of the Association – according to actual conditions and taking into account the German principles of proper bookkeeping. Moreover, the legal representatives are responsible for internal controls which they considered necessary in accordance with German legal required accounting principles to enable the preparation of annual financial statements, free from essential faulty representations – whether they were intentional or unintentional.

In the preparation of the annual financial statements, the legal representatives are responsible for assessing the Association's capacity of continuing as a going concern. Moreover, they are responsible to state, as far as applicable, factual circumstances in connection with the continuation of the Association as a going concern. Furthermore, they are responsible for accounting the continuation of the going concern – on the basis of the accounting policy – provided no actual or legal circumstances are in conflict therewith.

Statutory Auditor's Responsibility for Auditing the Annual Financial Statements

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from essential faulty representations – whether they were intentional or unintentional; also, to issue an auditor's certificate comprising our audit opinion on the annual financial statements.

Reasonable assurance is a high degree of assurance but no guarantee that an audit conducted in compliance with Article (§) 317 of HGB and taking into account the audit performed according to the German standards for proper statutory audits established by the Institut der Wirtschaftsprüfer [Institute of Public Auditors] (IDW) will always detect an essential faulty presentation. Faulty presentations may result from breaches or inaccuracies and are considered essential if it could be reasonably expected that they affect – individually or altogether – the economic decisions made by addressees on the basis of these annual financial statements.

During the audit, we exercise professional judgment and maintain professional skepticism. Moreover,

- we identify and assess the risks of essential faulty presentations – whether intentional or unintentional – in the annual financial statements; we plan and conduct audit activities as a reaction to these risks, and we obtain audit evidence which is adequate and suitable to be used as a basis for our audit opinion. The risk that essential faulty presentations are not detected is higher in case of breaches than with inaccuracies since breaches may comprise fraudulent cooperations, forgeries, intentional omissions, misleading presentations or overriding of internal controls.
- we gain an understanding of the internal control system relevant for the audit of the annual financial statements, in order to plan audit activities which are reasonable under the given circumstance; yet not, however, with the objective of issuing an audit opinion regarding the efficacy of these systems of the Association.
- we evaluate the appropriateness of accounting methods applied by the legal representatives, as well as the reasonableness of the estimates made by the legal representatives and any information related therewith.
- we draw conclusions regarding the appropriateness of the accounting principles applied by the legal representatives regarding the continuation of the corporate activity, and also – on the basis of the audit evidence obtained – whether there is any major uncertainty in connection with events or circumstances which might cast major doubts in the Association's capability of continuing as a going concern. If we come to the conclusion that material uncertainty exists, we are obligated to draw attention – in the auditor's certificate – to the related information in the annual financial statements or, if such information is inadequate, to modify our audit opinion. We draw our conclusions on the basis of the audit evidence obtained until the date of our auditor's certificate. However, future events or circumstances may result so that the Association will no longer be able to continue the going concern.

- we evaluate the overall presentation, the structure and content of the annual financial statements, including the informative statements, as well as whether the annual financial statement presents the underlying business transactions and events such that the annual financial statements will provide – by taking into account proper accounting taking into account the German principles – a view of the assets, financial, and earnings situation of the Association which will be in accordance with actual conditions.

We discuss, inter alia, with those responsible in corporate governance – the planned scope and the time management of the audit, as well as significant audit findings – including any possible defects in the internal control system which we detect during our audit."

D. SUBJECT, NATURE AND SCOPE OF THE AUDIT

I. Subject of the Audit

Subject of our audit was the bookkeeping system for the 2022 financial year and the annual financial statements as of December 31, 2022 of the Association.

The annual financial statements were prepared according to the German statutory accounting regulations.

Any review regarding compliance of other statutory provisions is only part of the duties of the statutory audit to the extent that feedback effects to the annual financial statements usually result from these other provisions.

Thus, subject matter of our engagement neither is the detection and solving of criminal offenses, such as embezzlements or e.g. other criminal breaches of trust, regulatory offenses still committed outside of accounting.

Our audit also does not have to extend to examining whether the continued existence of the audited company or the efficacy and economic efficiency of corporate management can be ensured (Article (§) 317 para. 4a of HGB).

II. Nature and Scope of the Audit

Our audit was performed according to Articles (§§) 316 et seq. of HGB, taking into account the German principles governing proper execution of statutory audits, as determined by the Institut der Wirtschaftsprüfer [Institute of Public Auditors] (IDW).

We already presented earlier the fundamental features of our procedure as auditors in the section Rendition of the Auditor's Certificate (cf. section C.). Additionally, we provide the following explanations to our audit approach and our audit performance:

Starting point for our audit planning was an understanding of the Association's business, as well as the assessment of the specific entrepreneurial risks as well as the accounting-relevant processes and controls of the Association. Taking into account the principle of materiality, we evaluated the effects on the annual accounts and, as a result, we determined the following main points of our audit:

In its scope, the Association's internal control system is adjusted to the low number and complexity of the business transactions. We obtained sufficient knowledge regarding the handling of the business transactions and about corporate management's handling of the business risks.

Our audit transactions essentially comprised individual assessments on a random basis, as well as analytic examinations of individual items.

Additionally, confirmations were obtained from all credit institutions with which the company had business relations during the financial year 2022.

Legal confirmations were requested for the assessment of risks from legal disputes.

Our examination was based on the annual financial statements as of December 31, 2021, which we also audited and issued an unqualified audit opinion; please refer to our report dated September 14, 2022.

In conclusion, we made an overall assessment of the audit results as well as of the annual financial statements. On the basis of this overall evaluation, we reached our audit opinions.

We conducted our examination from November 14, 2023, to November 15, 2023, at the company's premises, and finally at our business premises. The examination was concluded on November 30, 2023.

Legal representatives willingly provided all requested explanations/information and records/evidence and issued, in written form, the usual professional declaration of completeness. In particular, it is therein declared that, in bookkeeping, all accountable transactions and, in the submitted annual statement, all reportable financial assets, obligations, accruals and deferrals, also all expenses and earnings are included; furthermore, that all risks/ventures are taken into account as well as all required particulars are provided. According to this declaration, there were no transactions of special importance after the conclusion of the financial year which go beyond the circumstances in the attachment.

E. STATEMENTS AND EXPLANATIONS REGARDING THE RENDERING OF ACCOUNTS

I. Adequacy of Accounting

1. Bookkeeping and Other Audited Records

The Association's books are properly kept. According to our findings, bookkeeping and the other audited documents are, in all material respects, in accordance with statutory provisions, including the generally accepted accounting principles.

Within the scope of our audit, no considerations were brought about that the organizational and technical measures taken by the Association were not suitable to ensure the security of processed accounting-relevant data and IT-systems.

2. Annual Financial Statements

Our audit showed that, in all material respects, the annual financial statements as of December 31, 2021 – submitted to us for auditing – complied with all applicable statutory provisions, including the generally accepted accounting principles, as well as the regulations bound by legal forms – as are all applicable for the Association's accounting.

The balance sheet and the profit and loss account were prepared in compliance with the provisions on classification and evaluation of the German Commercial Code (HGB) and they were developed from the Association's books and the other audited documents.

According to our findings, the provisions on recognition, disclosure and valuation were complied with in all material respects.

The Notes are in accordance with statutory provisions. The information in the Notes are complete and correct in all material respects.

II. Overall Presentation of the Annual Financial Statements

1. Findings Regarding the Overall Presentation of the Annual Financial Statements

According to our evaluation and taking into account the generally accepted accounting principles, the annual account provides a view of the Association's assets, financial and earnings situation corresponding to the actual condition.

2. Essential Bases of Assessment

The accounting and valuation principles used by the Association are explained in the Attachment.

Accounting, valuation and disclosure options were exercised unchanged versus the prior year's financial statements.

F. CONCLUDING REMARK

We issue the above report in compliance with the statutory provisions and the principles of proper preparation of audit reports (IDW PS 450 new version).

The unqualified Auditor's Certificate which we issued on November 30, 2023 has been rendered in Section C. "Rendition of the Auditor's Certificate".

Munich, November 30, 2023

DR. KLEEBERG & PARTNER GMBH
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT [Auditors]
STEUERBERATUNGSGESELLSCHAFT [Tax consultants]

Schmid
Auditor

Künkele
Auditor

* * *

Upon publication or transmission of the annual financial statements in a form deviating from the version confirmed (including translation into other languages), our renewed opinion is required beforehand if our audit certificate is cited or if reference is made to our audit; we expressly make reference to Article (§) 328 of HGB [German Commercial Code].

* * *



INTERNATIONALER SCHIESS-SPORTVERBAND E.V. [reg. association] - ISSF, MUNICHBALANCE SHEET AS OF DECEMBER 31, 2022ASSETS

	<u>Dec. 31, 2022</u> EUR	<u>Dec. 31, 2021</u> EUR
A. <u>FIXED ASSETS</u>		
I. Intangible assets		
Purchased concessions, industrial property rights and similar rights and assets, as well as licenses in such rights and assets	<u>2.00</u>	<u>100.00</u>
II. Tangible assets		
Other equipment, operating and office equipment	<u>182,964.00</u>	<u>210,258.00</u>
III. Financial assets		
Investments	<u>1,750.00</u>	<u>1,750.00</u>
	<u>184,716.00</u>	<u>212,108.00</u>
B. <u>CURRENT ASSETS</u>		
I. Inventories		
Finished goods and goods for resale	<u>31,611.18</u>	<u>47,674.96</u>
II. Receivables and other assets		
1. Receivables from trade debtors	811,785.44	1,581,653.36
2. Other assets	<u>70,394.96</u>	<u>60,576.33</u>
	<u>882,180.40</u>	<u>1,642,229.69</u>
III. Cash on hand and bank balances	<u>12,789,099.85</u>	<u>15,123,115.28</u>
	<u>13,702,891.43</u>	<u>16,813,019.93</u>
C. <u>PREPAID EXPENSES AND DEFERRED CHARGES</u>	<u>26,974.26</u>	<u>26,138.06</u>
	<u>13,914,581.69</u>	<u>17,051,265.99</u>

INTERNATIONALER SCHIESS-SPORTVERBAND E.V. [reg. association] - ISSF, MUNICHBALANCE SHEET AS OF DECEMBER 31, 2022EQUITY AND LIABILITIES

	<u>Dec. 31, 2022</u> EUR	<u>Dec. 31, 2021</u> EUR
A. <u>EQUITY</u>		
I. Reserves	4,156,125.20	1,992,996.48
II. Net income for the year	<u>330,964.11</u>	<u>2,163,128.72</u>
	<u>4,487,089.31</u>	<u>4,156,125.20</u>
B. <u>SPECIAL ITEM FOR CONTRIBUTIONS</u>	<u>7,514,050.00</u>	<u>11,271,075.00</u>
C. <u>STILL UNUSED DONATIONS</u>	<u>1,600,590.82</u>	<u>1,244,588.48</u>
D. <u>PROVISIONS</u>		
1. Tax provisions	141.05	807.65
2. Other provisions	<u>52,800.00</u>	<u>52,679.00</u>
	<u>52,941.05</u>	<u>53,486.65</u>
E. <u>LIABILITIES</u>		
1. Customer advances received on orders	166.35	266.35
- thereof with a residual term of up to one year: EUR 166.35 (prior year: EUR 266.35)		
2. Liabilities, trade payables	203,470.39	312,520.05
- thereof for a residual term of up to one year: EUR 203,470.39 (prior year: EUR 312,520.05)		
3. Other liabilities	56,273.77	13,204.26
- thereof with a residual term of up to one year: EUR 56,273.77 (prior year: EUR 13,204.26)		
- thereof taxes: EUR 22,708.52 (prior year: EUR 7,809.84)		
	<u>259,910.51</u>	<u>325,990.66</u>
	<u>13,914,581.69</u>	<u>17,051,265.99</u>

INTERNATIONALER SCHIESS-SPORTVERBAND E.V.[reg. association] - ISSF, MUNICHINCOME STATEMENTFOR THE FINANCIAL YEAR FROM JAN. 1, TO DEC. 31, 2022

	Jan. 1 - Dec. 31, 2022 EUR	Jan. 1 - Dec. 31, 2021 EUR
1. Sales revenues	208,835.60	200,650.44
2. Other operating income	6,286,342.48	5,690,210.56
- thereof from currency translation: EUR 983,337.68 (prior year: EUR 442,381.50)		
3. Cost of material		
a) Cost of raw materials, consumables and supplies, and purchased materials	-16,063.78	-6,859.15
b) Cost of purchased services	<u>-835.00</u>	<u>0.00</u>
	-16,898.78	-6,859.15
4. Personnel expenses		
a) Wages and salaries	-395,311.21	-323,252.02
b) Social security, pension and other benefits	<u>-47,196.90</u>	<u>-40,182.30</u>
	-442,508.11	-363,434.32
5. Amortization/depreciation	-30,069.74	-41,365.04
6. Other operating expenses	-5,666,441.38	-3,303,584.36
- thereof from currency translation: EUR 0.00 (prior year: EUR 147.52)		
7. Other interest and similar income	29.00	0.00
8. Taxes on income and earnings	<u>-7,389.96</u>	<u>-11,554.41</u>
9. <u>Result after taxes</u>	<u>331,899.11</u>	<u>2,164,063.72</u>
10. Other taxes	<u>-935.00</u>	<u>-935.00</u>
11. <u>Net income for the year</u>	<u><u>330,964.11</u></u>	<u><u>2,163,128.72</u></u>

INTERNATIONALER SCHIESS-SPORTVERBAND E.V. [reg. association] - ISSF, MUNICH

ATTACHMENT FOR THE 2022 FINANCIAL YEAR

General Information on Annual Financial Statements

The annual financial statements were voluntarily prepared according to the provisions of Articles (§§) 238 et seq. of HGB [German Commercial Code].

Information for the Identification of the Company According to the Registry Court

Name of Association according to Registry Court:	Internationaler Schiess-Sportverband e.V. - ISSF
Seat of Association according to Registry Court:	Munich
Registry entry:	Association registry
Registry court:	Munich
Registry no.:	10152

Information on Accounting and Valuation Methods

General Information

The income statement has been set up according to the total cost method according to Article [§] 275 para. 2 of HGB. The annual financial statements were set up on the assumption of a continuation of the company (going concern).

Due to the waiver of specific information in the Attachment, the easement options have permissibly used for small stock corporations pursuant to Articles [§§] 266 para. 1 sentence 3, 274a and 288 of HGB.

Accounting and Valuation Principles

Acquired intangible assets values were carried at acquisition costs and if they were subject to wear, they were reduced by scheduled depreciation. They are linearly depreciated over 5 years.

Tangible fixed assets were carried at costs of acquisition and, as far as subject to wear, reduced by scheduled depreciations.

Scheduled depreciations were effected linearly, according to the anticipated period of use of the assets items. The customary periods of use of tangible fixed assets extend from 3 to 15 years.

Concerning financial assets, investments were carried at costs of acquisition. In case of any anticipated permanent value reduction, depreciations are made, as far as required, for the lower attributable value on the balance sheet day.

Inventories are applied at cost of acquisition or at production cost. Cost of acquisition was determined by way of individual establishment. As far as daily values were lower on the balance sheet date, they were applied.

Receivables and other assets were valued taken into account all identifiable risks; i.e. they are applied at nominal values minus reasonable individual devaluations.

Liquid means are applied at nominal values. Liquid means in foreign currency are principally converted on the closing date at the average spot exchange rate.

Under prepaid expenses on assets side, prepayments for future periods are deferred pro rata temporis.

Reserves are balanced at the nominal amount and exclusively include retained earnings.

The special item for subsidies contains not yet used means, allocated by the IOC for the Olympic Summer Games in Tokyo in 2020 which took place in 2021.

The item of still unused donations includes the remaining residual amount of the development fund – after deduction of the rule-compliant donations awarded.

Tax reserves and other reserves were set up for all further uncertain liabilities. All identifiable risks were taken into account. They were applied in the amount of the necessary settlement value according to reasonable commercial evaluation.

Prepayments received on orders are applied at the nominal amount.

Liabilities were applied for the settlement amount.

Accounting and Valuation Methods Deviating versus the Previous Year

With regard to the annual financial statements, the sofar applied accounting and valuation methods were completely taken over.

There has been no change of accounting and valuation methods versus the prior year.

Information on the Balance Sheet

The immediate write-off of low-value assets is shown as additions and disposals.

The amount of receivables and other assets with a residual term of more than one year is EUR 699,813.37 (prior year: EUR 38,926.46). The remaining receivables and other assets in the amount of EUR 187,316.26 (prior year: EUR 1,603,203.23) have a residual term of up to one year.

As of December 31, 2022, reserves included – as in the prior year – exclusively profit reserves; in the tax balance, reserves pursuant to Article [§] 62 para. 1 no. 3 AO [Fiscal Code] are shown in the amount of EUR 725,00.00 (prior year: EUR 725,000.00) as of December 31, 2022.

The special item for grants – including the still unused funds allocated by the IOC for the 2020 Olympic Summer Games in Tokyo which took place in 2021 – will be dissolved over four years and will affect the current period result.

Of the Development Fund 2019 established in the reporting year 2019 with the approval of the tax authorities, EUR 1,244,588.48 (previous year: EUR 2,329,823.12) after deduction of the donations of EUR 1,143,997.66 (previous year: EUR 1,085,234.64) regulated in the fund guidelines, an amount of EUR 1,600,590.82 (previous year: EUR 1,244,588.48) remained as of December 31, which will be distributed in the following years in accordance with the guidelines. In 2020, a donation to the development fund of EUR 1,500,000.00 had been made.

Information on the Income Statement

The other operating revenues include revenues in the amount of EUR 1,143,997.66 from the consumption of the still unused donations, as well as EUR 3,757,024.27 from the dissolution of 25% of the special item for grants.

Other Information

Average number of employees working during the financial year

On average, our Association employed 5 (prior year: 3) employees.

Board Members

In the 2021 financial year, authorized board members acting on behalf of the Association were:

- | | |
|---|--|
| - Luciano Rossi, Foligno / Italien | (President, since December 1, 2022) |
| - Wilhelm Xaver Grill, Vilshofen an der Donau | (Secretary General, since December 1, 2022) |
| - Vladimir Lisin, Moscow/ Russia | (President, until November 30, 2022) |
| - Alexander Borisovic Ratner, Frankfurt am Main | (Secretary General, until November 30, 2022) |

Munich, November 30, 2023

Luciano Rossi

Wilhelm Xaver Grill

AUDITOR'S CERTIFICATE BY THE INDEPENDENT STATUTORY AUDITOR

To the Internationaler Schiess-Sportverband e.V. - ISSF, Munich

Audit Opinion

We audited the annual financial statements of Internationaler Schiess-Sportverband e.V. - ISSF, Munich, comprising the balance sheet as of December 31, 2022, and the profit and loss account for the financial years from January 1 to December 31, 2022, and notes to the financial statements, including the presentation of the recognition and valuation policies.

In our opinion and on the basis of knowledge gained in the audit, the enclosed annual financial statements are in compliance, in all material respects, with the provisions of German commercial law applicable for stock corporations, and provide a true and fair view of the assets, liabilities and financial position as of December 31, 2022 of the Association here at issue, as well as of its profit and earnings situation for the financial year from January 1 to December 31, 2022.

Pursuant to Article (§) 322 para. 3 sentence 1 of HGB, we declare that our audit did not result in any objections to the statutory compliance of the annual financial statements.

Basis for the Audit Opinion

We performed our audit of the annual financial statements in compliance with Article (§) 317 of HGB, taking into account the German Generally Accepted Standards of the proper statutory audit specified by the Institut der Wirtschaftsprüfer [Institute of Public Auditors]. Our responsibility according to these provisions and principles is further described in the section "Statutory Auditor's Responsibility for the Audit of the Annual Financial Statements". We are independent of the corporation in accordance with the requirements of the German commercial and professional law; also, with these requirements, we fulfilled our other German professional obligations in compliance with these requirements. We are of the opinion that the audit evidence which we obtained is adequate and appropriate to provide the basis for our audit opinion regarding the annual financial statements.

Responsibility of the Legal Representatives for the Annual Financial Statements

The legal representatives are responsible for the preparation of the annual financial statements in compliance with the German commercial law provisions, applicable for stock corporations and in all material respects; they are further responsible for the annual financial statements providing a corresponding view of the assets, financial and earnings situation of the Association – according to actual conditions and taking into account the German principles of proper bookkeeping. Moreover, the legal representatives are responsible for internal controls which they considered necessary in accordance with German legal required accounting principles to enable the preparation of annual financial statements, free from essential faulty representations – whether they were intentional or unintentional.

In the preparation of the annual financial statements, the legal representatives are responsible for assessing the Association's capacity of continuing as a going concern. Moreover, they are responsible to state, as far as applicable, factual circumstances in connection with the continuation of the Association as a going concern. Furthermore, they are responsible for accounting the continuation of the going concern – on the basis of the accounting policy – provided no actual or legal circumstances are in conflict therewith.

Statutory Auditor's Responsibility for Auditing the Annual Financial Statements

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from essential faulty representations – whether they were intentional or unintentional; also, to issue an auditor's certificate comprising our audit opinion on the annual financial statements.

Reasonable assurance is a high degree of assurance but no guarantee that an audit conducted in compliance with Article (§) 317 of HGB and taking into account the audit performed according to the German standards for proper statutory audits established by the Institut der Wirtschaftsprüfer [Institute of Public Auditors] (IDW) will always detect an essential faulty presentation. Faulty presentations may result from breaches or inaccuracies and are considered essential if it could be reasonably expected that they affect – individually or altogether – the economic decisions made by addressees on the basis of these annual financial statements.

During the audit, we exercise professional judgment and maintain professional skepticism. Moreover,

- we identify and assess the risks of essential faulty presentations – whether intentional or unintentional – in the annual financial statements; we plan and conduct audit activities as a reaction to these risks, and we obtain audit evidence which is adequate and suitable to be used as a basis for our audit opinion. The risk that essential faulty presentations are not detected is higher in case of breaches than with inaccuracies since breaches may comprise fraudulent cooperations, forgeries, intentional omissions, misleading presentations or overriding of internal controls.
- we gain an understanding of the internal control system relevant for the audit of the annual financial statements, in order to plan audit activities which are reasonable under the given circumstance; yet not, however, with the objective of issuing an audit opinion regarding the efficacy of these systems of the Association.
- we evaluate the appropriateness of accounting methods applied by the legal representatives, as well as the reasonableness of the estimates made by the legal representatives and any information related therewith.
- we draw conclusions regarding the appropriateness of the accounting principles applied by the legal representatives regarding the continuation of the corporate activity, and also – on the basis of the audit evidence obtained – whether there is any major uncertainty in connection with events or circumstances which might cast major doubts in the Association's capability of continuing as a going concern. If we come to the conclusion that material uncertainty exists, we are obligated to draw attention – in the auditor's certificate – to the related information in the annual financial statements or, if such information is inadequate, to modify our audit opinion. We draw our conclusions on the basis of the audit evidence obtained until the date of our auditor's certificate. However, future events or circumstances may result so that the Association will no longer be able to continue the going concern.
- we evaluate the overall presentation, the structure and content of the annual financial statements, including the informative statements, as well as whether the annual financial statement presents the underlying business transactions and events such that the annual financial statements will provide – by taking into account proper accounting taking into account the German principles – a view of the assets, financial, and earnings situation of the Association which will be in accordance with actual conditions.

We discuss, inter alia, with those responsible in corporate governance – the planned scope and the time management of the audit, as well as significant audit findings – including any possible defects in the internal control system which we detect during our audit.

Munich, November 30, 2023

DR. KLEEBERG & PARTNER GMBH
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT [Auditors]
STEUERBERATUNGSGESELLSCHAFT [Tax consultants]

Schmid
Auditor

Künkele
Auditor

SUPPLEMENT TO THE GENERAL ENGAGEMENT TERMS

The audit report is prepared by the auditor to summarize his working results for the client – in particular for the Company's organs which are entrusted with supervision functions.

The documentation of essential audit findings in the audit report supports the supervising organs of the Company and is therefore intended only for internal use by the Company's organs. Any right of third parties founded on special legal regulations stipulating the receipt of or access to the audit results remains, however, unaffected.

Basis of our activities is the letter confirming our appointment as auditors and the General Conditions of Engagement for Auditors and Auditing Companies issued by the Institute of Certified Public Accountants on 1 January 2017.

Our report is exclusively intended for the Company's organs as basis for decision-making. It is not to be used for other than this purpose. Hence, we do not resume responsibility, liability or any duties toward third parties unless there is a differing written agreement signed with these third parties or such an exemption of liability would be ineffective.

We state explicitly that we do not revise the audit report and / or certificate as to events or circumstances which occurred after having issued the certificate unless there is a legal obligation.

It is in the responsibility of each reader of this report to decide whether and in which form he regards the information contained in this report as useful and suitable for his purposes and whether he will verify or update the results by own audit procedures.

[Translator's notes are in square brackets]

General Engagement Terms

for
Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
 [German Public Auditors and Public Audit Firms]
 as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translator's Note: The German term "Textform" means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.