Annual accounts

as of

December 31, 2018

Internationaler Schiess-Sportverband e.V. - ISSF (International Shooting Sport Federation)

Munich tax office for corporations
Tax number 143/217/40716
A. Assignment and execution of the assignment

The Secretary General of the International Shooting Sport Federation e. V. - ISSF, Mr. Alexander Ratner, Munich, has commissioned us to prepare the annual accounts as of December 31, 2018 and to issue a report in accordance with professional standards.

As no separate agreement was reached on this, we have retained the previous, expressly requested form of reporting for reasons of continuity.

The annual accounts were prepared and assessed in accordance with generally accepted accounting principles.

The document check was carried out by Ms. Heuner-Piehler, who also prepared the accounting for the year 2018.

In accordance with the Statutes, the audit of income and expenditure is the responsibility of the treasurers and auditors.

In terms of timing, the work was carried out in our office in the months of March/April 2019.

Following the submission of a draft of the annual accounts,

"PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft" was commissioned on May 31, 2019 to conduct an audit of the annual accounts in accordance with Sections 316 et seq. of the German Commercial Code (HGB) and we were asked to prepare the final version of the annual accounts in accordance with the provisions applicable to small corporations as defined in Section 267 (1) and (4) of the HGB. This was done at the end of August. Changes have essentially only been made to the structure of the balance sheet and the P&L account, which is why we have also adjusted the previous year's structure to improve comparability.

Information was provided by:

Mr. Franz Schreiber

Ms. Heuner - Piehler, accountant
The information and evidence we requested was readily provided and the records we requested were made available to the extent necessary.

In terms of documents, we had at our disposal the records and writings as well as the accounting documents of the International Shooting Sport Federation e. V.

The assignment shall be based on the General Terms and Conditions of Contract for tax consultants and tax consulting companies attached as Attachment No. 4.

The assignment shall be performed under the condition that the provisions of these terms and conditions of assignment (liability) shall also apply to any third parties entitled to claim.
B. Legal conditions

Name of the association: Internationaler Schiess-Sportverband e.V., ISSF

Seat: 80336 Munich, Bavariaring 21

Statutes: from July 27, 1980

Register of Associations: District Court of Munich, No. 10152, registered on 08/05/1981;

Date of last entry: 2/4/2019

(Change in the members of the Board of Directors)

Business year: Calendar year

Purpose: To promote and direct the development of shooting sports without discrimination on political, racial or religious grounds and to strengthen the friendly relations between the shooting associations of all nations. To strengthen the connection and cooperation between other sports organizations and entities.

Members: 161 member associations in 148 countries

Board: Vladimir Lisin
President of the ISSF

\textit{c/o} ISSF
Bavariaring 21
80336 Munich, Germany

Alexander Ratner
Secretary General of the ISSF

\textit{c/o} ISSF
Bavariaring 21
80336 Munich, Germany

The President and the Secretary General have sole power of representation.

Retired as of 11/30/2018:
Olegario Vazquez Rana, President,
Franz Schreiber, Secretary General.

Tax conditions: according to the notice pursuant to Section 60a (1) of the German Tax Code (AO) of 06/05/2014 and corporate income
tax notice 2017 of 02/01/2019, it is recognized as a non-profit association.
Tax liability extends to the economic business operation, comprising:
Advertising business in the ISSF News, advertising on the occasion of sporting events and on the Internet, trade in shooting products.

Furthermore, the association is exempt from corporate income tax and trade tax due to the exclusive and direct pursuit of tax-privileged purposes through the promotion of sports.

The association is audited until 12/21/2017.

Exemption from corporate income tax (certificate of non-profit status) was granted up to this date (with the exception of commercial operations).

Tax office: Munich tax office for corporations

Tax number: 143/217/40716
C. Economic conditions

If it is assumed that the subsidy from the IOC is distributed evenly over 4 years and that income of one quarter is recognized in the profit and loss account, the P&L account closes with a profit for the year of € 231,566.08.

Earnings thus improved by around EUR 963k compared with the previous year.

This is due to the development of exchange rate differences in the reporting year. Whereas a loss of EUR 1,477k had to be accepted in the previous year, a surplus of EUR 231k was achieved in the reporting year.

The exchange rate differences relate on the one hand to fluctuating exchange rates at the end of the year and on the other hand to exchange rate changes during the year for the income and expense items.

The former relate to receivables from banks and other receivables denominated in foreign currencies (real exchange rate losses or gains).

Exchange rate differences arise in the case of exchange rate gains or losses during the year resulting from payments by the ISSF in USD or CHF.

However, these are countered by correspondingly reduced or increased expenses as a result of translation into EUR.

If exchange rate differences are disregarded, the result for the year breaks even, whereas the corresponding figure for the previous year was EUR 746k.

This is attributable in particular to the marked increase in other expenses (excluding exchange rate differences). While these amounted to EUR 3,193k in the previous year, they rose to EUR 3,872k in the reporting year.

There have been striking increases in TV costs (EUR +110k), WM/WCH costs (EUR +202k), General Assembly (EUR +118k) and Ethics Committee (EUR +162k) as well as legal and consulting costs (EUR +118k).

Notable cost reductions relate to the Ad Hoc Committee (EUR -91k).

The slight increase in sales and other income (EUR +35k) was again contrasted by significant increases in the cost of materials (EUR +50k) and a slight increase in personnel expenses (EUR +38k).
D. The annual accounts as of December 31, 2018

Evidence
We maintain the fixed assets in an asset register. A physical inventory check was performed by Mr. Franz Schreiber.

The balances of receivables and other assets are shown in lists of account balances.

Cash balances can be seen in the cash book and are confirmed by bank statements.

The debts are shown in lists of balances.

Valuation
The valuation methods comply with generally accepted accounting principles.

The general valuation principles pursuant to Section 252 (1) HGB

Balance sheet continuity

Continuation of operations (going concern) Individual and cut-off date valuation

Principle of prudence (impairment and realization principle) Period accrual

Principle of continuity

have been observed. None of these principles were deviated from.

receivables, other assets and cash and cash equivalents (cash on hand, bank balances) are capitalized at nominal value or cost. For the foreign currency accounts denominated in Swiss francs and U.S. dollars, the official exchange rate as of December 31, 2018 was used in each case.

In the case of receivables, identifiable individual risks were taken into account by means of write-downs (allowances).

Uncollectible receivables have been derecognized.

Other provisions take into account all identifiable risks and uncertain obligations.

Statement
The structure of the annual financial statements has been prepared in accordance with the classification requirements of German commercial law.

The balance sheet has been prepared in account form.

The items referred to in Section 266 (2) and (3) of the HGB are shown in the prescribed order.

The profit and loss account has been prepared in graduated form in accordance with the total cost method and largely follows the structure prescribed in Section 266 of the HGB.
E. Completency, signature

Completeness

I hereby declare, that the documents relating to the accounts and the annual financial statements as of December 31, 2018, together with the information and evidence provided, are complete and correct.

Signature

The above declaration of completeness and the following annual financial statements, consisting of the balance sheet, profit and loss account and list of attachments, are signed by me.

Munich, on

[signature]
Alexander Ratner
F. Accounting

The financial accounting is prepared electronically (DATEV system) by Mrs. Heuner-Piehler. The records are properly evidenced, adequately explained and are filed in an orderly manner.

According to our findings, the accounting records comply with the legal requirements.

The financial statements have been derived from the accounting records.
G. Concluding remarks and final note

With reference to our report on the annual accounts as of December 31, 2018, we issue the following certificate:

The annual accounts have been prepared in accordance with the provisions of German commercial law with regard to the recognition, valuation and statement of assets and debts. There are no objections to the organization of the accounting.

The annual accounts were prepared by us on the basis of the accounting records handed over to us, the documents presented to us and the information provided. The client has confirmed the completeness and correctness of the information given and evidence provided, as well as the completeness of the recording of business transactions.

The annual accounts were prepared in compliance with generally accepted accounting principles in accordance with the provisions of commercial law and tax law.

Munich, August 31, 2019

Reitmeier und Lausch
Steuerberatungsgesellschaft mbH & Co. KG

[signature]
Alfred Reument
Tax consultant - Statutory auditor
## Balance sheet as of December 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>12/31/2018 EUR</th>
<th>Previous year EUR</th>
<th>12/31/2018 EUR</th>
<th>Previous year EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A. Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Tangible assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Plant and equipment</td>
<td>77,247,00</td>
<td>62,276,00</td>
<td>231,566,08</td>
<td>0,00</td>
</tr>
<tr>
<td>2. Investments</td>
<td>1,750,00</td>
<td>0,00</td>
<td>2,226,908,22</td>
<td>2,226,908,22</td>
</tr>
<tr>
<td><strong>B. Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Supplies</td>
<td>88,652,54</td>
<td>83,389,33</td>
<td>0,00</td>
<td>395,90</td>
</tr>
<tr>
<td>1. Finished goods and merchandise</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II. Receivables and other assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Accounts receivable</td>
<td>24,351,22</td>
<td>24,890,39</td>
<td>1,84</td>
<td>0,00</td>
</tr>
<tr>
<td>2. Other receivables</td>
<td>6,060,00</td>
<td>3,935,55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Other assets</td>
<td>6,000,63</td>
<td>9,565,20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>III. Cash on hand, postal giro account balances and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balances with banks</td>
<td>6,371,502,19</td>
<td>10,198,241,68</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>C. Prepaid expenses</strong></td>
<td>6,738,00</td>
<td>6,050,75</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets:</strong></td>
<td><strong>6,582,301,58</strong></td>
<td><strong>10,388,348,90</strong></td>
<td><strong>6,582,301,58</strong></td>
<td><strong>10,388,348,90</strong></td>
</tr>
</tbody>
</table>

| **Liabilities** |                |                   |                |                   |
| **A. Equity**   |                |                   |                |                   |
| 1. Reserves     | 2,226,908,22   | 2,226,908,22      |                |                   |
| 2. Result carried forward | 231,566,08     | 0,00              |                |                   |
| **B. Funds not yet used and allocated by the IOC** |                |                   | 3,995,942,70   | 7,991,885,41      |
| **C. Provisions** |                |                   |                |                   |
| 1. Tax provisions | 0,00           | 395,90            |                |                   |
| 2. Other provisions | 7,500,00       | 7,500,00          |                |                   |
| **D. Liabilities** |                |                   |                |                   |
| 1. Liabilities to banks | 1,84           | 0,00              |                |                   |
| 2. advance payments received | 2,190,41      | 1,679,93          |                |                   |
| 3. Other liabilities | 118,192,33     | 159,979,44        |                |                   |
| **Total liabilities:** | **6,582,301,58** | **10,388,348,90** | **6,582,301,58** | **10,388,348,90** |
### Profit and loss account for the period of January 01, 2018 to December 31, 2018

<table>
<thead>
<tr>
<th>Description</th>
<th>EUR</th>
<th>Previous year EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Revenues</td>
<td>786,520.03</td>
<td>763,688.52</td>
</tr>
<tr>
<td><strong>Overall result</strong></td>
<td>786,520.03</td>
<td>763,688.52</td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Other operating income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(thereof income from currency translation: € 265,225.74; previous year: € 0.00)</td>
<td>4,307,265.30</td>
<td>4,029,883.06</td>
</tr>
<tr>
<td></td>
<td>5,880,305.36</td>
<td>5,557,260.10</td>
</tr>
<tr>
<td>4. Cost of materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Cost of raw materials, supplies and purchased services</td>
<td>129,847.22</td>
<td>79,509.24</td>
</tr>
<tr>
<td>5. Personnel expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Wages and salaries</td>
<td>448,492.39</td>
<td>426,721.66</td>
</tr>
<tr>
<td>b) Social security contributions and expenses for retirement benefits and support payments (thereof for retirement benefits: €495.91; previous year: €600.00)</td>
<td>414,634.14</td>
<td>398,689.64</td>
</tr>
<tr>
<td>6. Depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A) Depreciation of intangible and tangible fixed assets</td>
<td>14,636.75</td>
<td>21,437.37</td>
</tr>
<tr>
<td>7. Other operating expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(thereof from currency translation: € 34,033.12; previous year: €1,477,065.97)</td>
<td>3,907,665.18</td>
<td>4,670,452.71</td>
</tr>
<tr>
<td>8. Other interest and similar income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(thereof from affiliated companies: € 0.00; previous year: € 0.00)</td>
<td>65,308.26</td>
<td>84,432.54</td>
</tr>
<tr>
<td>9. Taxes on income and profit</td>
<td>11,416.83</td>
<td>12,136.71</td>
</tr>
<tr>
<td>10. <strong>Net income after taxes</strong></td>
<td>232,401.08</td>
<td>-730,943.21</td>
</tr>
<tr>
<td>11. Other taxes</td>
<td>835.00</td>
<td>835.00</td>
</tr>
<tr>
<td>12. <strong>Net income</strong></td>
<td>231,566.08</td>
<td>-731,778.21</td>
</tr>
<tr>
<td>13. Withdrawals from reserves</td>
<td>0.00</td>
<td>731,778.21</td>
</tr>
<tr>
<td>14. Result carried forward</td>
<td>231,566.08</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Appendix for the business year 2018

General information on the annual financial statements

The annual financial statements were prepared in accordance with the provisions of sections 242 et seq. of the HGB.

Information on the identification of the entity according to the registry court

Association name according to the registry court: Internationaler Schiess-Sportverband e.V. - ISSF

Registered office of the association according to the registry court: Munich

Registry entry: Register of Associations

Registry Court: Munich

Register no: 10152

Information on accounting and valuation methods

General information

The profit and loss account has been prepared using the total cost method in accordance with Section 275 (2) of the German Commercial Code (HGB). The annual accounts have been prepared on a going concern basis.

Permissible use has been made of the simplified preparation of the annual accounts in accordance with Sections 266 (1) Sentence 3, 274a and 288 of the HGB for small corporations by omitting certain statements in the appendix.

Accounting and valuation principles

Acquired intangible assets were carried at acquisition cost and, if subject to wear and tear, reduced by regular depreciation.

Tangible assets are stated at acquisition cost and, where subject to wear and tear, reduced by regular depreciation.

Regular depreciation was calculated on a linear basis according to the expected service life of the assets.

In the case of financial assets, investments are stated at acquisition cost or the lower fair value.

Supplies are stated at acquisition or production cost. If the current values were lower on the balance sheet date, these were recognized.

Receivables and other assets were valuated taking into account all identifiable risks.

Cash and cash equivalents are carried at nominal value. Cash and cash equivalents denominated in foreign currencies are generally translated at the mean spot exchange rate on the reporting date.
Prepaid expenses include advance payments for future periods on a pro rata temporis basis.

Reserves are recognized at their nominal amount and exclusively include retained earnings.

The item unspent funds allocated by the IOC includes the accrued allocations from the IOC.

Provisions for taxes include taxes relating to the business year that have not yet been assessed.

Other provisions were recognized for all other uncertain liabilities.

In doing so, all identifiable risks were taken into account. They were recognized at the settlement amount deemed necessary in accordance with prudent business judgment.

Liabilities were recognized at the settlement amount.

**Accounting and valuation policies differing from those of the previous year**

In the annual financial statements, the accounting and valuation methods previously applied have been adopted in full.

There has been no change in accounting and valuation policies compared with the previous year.

**Balance sheet information**

The immediate depreciation of low-value assets is included in the business year depreciation and the fictitious disposal at the end of the year is assumed.

The result carried forward amounts to € 231,566.08 (previous year: € 0.00)

The amount of receivables and other assets with a remaining term of up to one year is EUR €36,411.85 (previous year: €39,391.14)

As in the previous year, reserves as of December 31, 2018 exclusively comprised retained earnings. For tax purposes, a reserve pursuant to Section 62 (1) No. 3 AO was recognized in the amount of € 725,000,00 (previous year: € 725,000,00) as of December 31, 2018.

The unused funds allocated by the IOC were released to other operating income in the amount of € 3,995,942,71. The item now amounts to € 3,995,942,71 as of December 31, 2018 (previous year: € 7991,885,41).

The amount of liabilities with a remaining term of one year or less is EUR € 120,384,58 (previous year: €161,659,37)
Other information

Average number of employees during the business year

On average, our association had 6 (previous year: 6) employees.

Board members

Authorized representatives of the Board of Directors of the Association in the fiscal year 2018 were:

Vazquez Rana Olegario, Mexico/Mexico (President until 11/30/2018)
Franz Schreiber, Munich (Secretary General until 11/30/2018),
Vladimir Lisin, Moscow/ Russia (President since 12/1/2018)
Alexander Borisovic Ratner, Frankfurt am Main (Secretary General since 12/1/2018)

Munich, on

Vladimir Lisin                        Alexander Borisovic Ratner