Report

Internationaler Schiess-Sportverband e.V. - ISSF
Munich

Audit of the Annual Financial Statements for the Period
Ending December 31, 2020

(Translation – the German text is authoritative)
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Appendices (see separate table of contents)

For computational reasons, rounding differences of ± one unit (€, %, etc.) can occur in the tables.
List of Abbreviations

AO    Abgabenordnung [German Fiscal Code]
DRS   Deutscher Rechnungslegungsstandard [German Accounting Standard]
e.V.  eingetragener Verein [incorporated association]
et seqq. And the following
HGB   Handelsgesetzbuch [German Commercial Code]
HR B  Handelsregister Abteilung B [Commercial Register Section B]
IDW   Institut der Wirtschaftsprüfer in Deutschland e.V. [Institute of Public Auditors in Germany, Incorporated Association], Düsseldorf
IOC   International Olympic Committee, Lausanne/ Switzerland
n.F.  neue Fassung [new version]
T€    Thousand euro
e.g.  for example
A. Audit Engagement

I. Audit Engagement

1. Following the executive committee’s resolution of December 4, 2019 to elect us as auditors, the secretary general of

   Internationaler Schiess-Sportverband e.V. - ISSF, Munich,
   (hereinafter referred to as ‘ISSF’ or “the Association”)

   engaged us to audit the annual financial statements of the Association for the financial year from January 1 through December 31, 2020 including the bookkeeping system for the financial year then ended as part of a voluntary financial statement audit in accordance with Section 316 et seqq. HGB.

2. The Association prepares its annual financial statements in accordance with the provisions applicable to small corporations within the meaning of Section 267 (1) and (4) HGB on a voluntary basis. The preparation of a management report is not required for small corporations. Consequently, the executive committee of the Association also refrained from preparing a management report.

3. This engagement and our liability, also in relation to third parties, are governed by the "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften" dated January 1, 2017, which are enclosed as an Appendix to this report.

4. We have prepared the following report on the nature and scope and the results of our audit in accordance with the principles set forth in IDW PS 450 new version; the audited annual financial statements are attached to this report as an Appendix. This report is addressed only to the audited association.

II. Confirmation of Independence

5. In accordance with Section 321 (4a) HGB, we confirm that we conducted our audit of the annual financial statements with due regard to the applicable provisions on independence.
**B. General Findings**

**I. Copy of the Auditor's Report**

6. Based on the final results of our audit, we issued the following unqualified auditor's report dated May 18, 2022:

„Provided that the annual financial statements as of December 31, 2019 will be confirmed in the version on which these annual financial statements have been based, we provide the auditor’s report as follows:

**INDEPENDENT AUDITOR’S REPORT**

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

*Audit Opinion*

We have audited the annual financial statements of Internationaler Schiess-Sportverband e.V. - ISSF, Munich, which comprise the balance sheet as at December 31, 2020, and the statement of profit and loss for the financial year from January 1 to December 31, 2020, and notes to the financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Association as at December 31, 2020 and of its financial performance for the financial year from January 1 to December 31, 2020 in compliance with German Legally Required Accounting Principles.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

*Basis for the Audit Opinion*

We conducted our audit of the annual financial statements in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Association in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance
with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements.

Responsibilities of the Executive Directors for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Association in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Association’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor’s Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor’s report that includes our audit opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
• Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of this system of the Association.

• Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

• Conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Association to cease to be able to continue as a going concern.

• Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Association in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit."
C. Subject, Nature and Scope of the Audit

7. The subject of our audit was the **bookkeeping system** and the **annual financial statements** for the financial year from January 1 through December 31, 2020, consisting of the balance sheet, income statement and notes to the financial statements and prepared in accordance with the provisions stipulated by commercial law for all merchants (Sections 242 to 256a HGB), the supplementary provisions for corporations (Sections 264 to 288 HGB) as well as the supplementary regulations in the articles of association. The responsibility for the compliance of the bookkeeping system and the annual financial statements with the applicable requirements lies with the Association's executive directors. Our responsibility was to examine these documents to determine whether they comply with the statutory accounting provisions.

8. Our engagement to audit the annual financial statements did not include assessing the adequacy of the Association's **insurance coverage**, or in particular, whether all risks have been recognized and sufficiently insured.

9. The **starting point** was the annual financial statements for the financial year from January 1 through December 31, 2019, which we had audited and provided with an unqualified auditor's report.

10. We conducted our audit in accordance with the provisions of Section 316 et seqq. HGB and the **generally accepted standards for the audit of financial statements** as set forth in the IDW Auditing Standards. In accordance herewith we planned our audit in such a way as to detect any inaccuracies and violations of statutory provisions which have a material influence on the presentation of a true and fair view of the net assets, financial position and results of operations. Our engagement did not include detecting or clarifying criminal offenses (such as fraud or any other form of breach of trust) or breach of administrative rules unrelated to the accounting context, or assessing the effectiveness or operational efficiency of the executive directors. However, we planned and conducted our audit such that misstatements and violations which are material to the accounting would be detected with reasonable assurance. The Association's executive directors are responsible for the implementation and enforcement of suitable measures to avoid or detect misstatements and violations.

11. In accordance with our **risk-driven audit approach** we initially acquired up-to-date knowledge of the economic and legal environment of the Association and, through interviews with the Association's executive board, gathered information about those business risks that may lead to material errors in the accounting records. In addition to that, we examined what measures the Association has taken to manage these business risks. In this connection, we examined the adequacy of the Association's accounting-related internal control system (tests of design).
We considered this knowledge in determining our further audit procedures. In accordance with the principle of materiality and the requirement of audit procedure efficiency we therefore performed substantive audit procedures to obtain audit assurance.

12. Within the scope of the tests of details of items of the Association's financial statements, we reviewed, among other things, excerpts from the Register of Associations, supply and service contracts as well as other business records. We obtained bank confirmations as of December 31, 2020 in order to audit the business relations with banks and financial services institutions.

13. These are the audit focal points which we determined for our audit of the annual financial statements:

   1. Recognition and measurement of liquid funds,
   2. Recognition and measurement of unused donation funds,
   3. Allocation of sales revenue to the applicable accounting period.

14. The executive directors and the staff members authorized by them supplied us with all information and supporting documentation which we requested.

   The executive directors submitted to us a standard letter of representation relating to the annual financial statements.
D. Findings Regarding Accounting Records

I. Adequacy of Accounting Records

1. Bookkeeping System and Other Audited Records

15. According to our findings, the bookkeeping system and the voucher system are proper and in compliance with the statutory provisions in all material respects. The information which can be obtained from the other records audited is properly represented in the bookkeeping system and the annual financial statements.

16. Our audit has not revealed any matters which indicate that the organizational and technical arrangements made by the Association and by German public auditor and tax advisor Wolfgang-Jürgen von Freyburg, Munich, are inappropriate to ensure the security of the accounting-relevant data and IT systems.

17. According to our findings, the accounting-related internal control system is generally suitable to ensure complete and accurate recording, processing, documentation and safeguarding of the bookkeeping data.

2. Annual Financial Statements

18. The annual financial statements, consisting of the balance sheet, income statement and notes to the financial statements, for the financial year from January 1 through December 31, 2020 were prepared, in all material respects, in accordance with the statutory provisions including the legal form-specific provisions, [German] principles of proper accounting and the supplementary provisions in the articles of association.

19. The balance sheet and the income statement were properly derived from the bookkeeping system and the other audited records. In doing so, the recognition, disclosure and valuation requirements of commercial law were observed in all material respects.

20. The notes to the financial statements comply with the statutory provisions. The disclosures in the notes to the financial statements are complete and appropriate in all material respects.

21. The relief provisions pursuant to Sections 266 (1) Clause 3, 274a, 276 and 288 HGB for small corporations were admissibly exercised by omitting certain disclosures in the notes.
II. Overall Impression given by the Annual Financial Statements

22. The annual financial statements comply, in all material respects, with the statutory provisions and, as a whole, give a true and fair view of the net assets, financial position and results of operations of the Association in accordance with [German] principles of proper accounting.

23. For the presentation of the accounting and valuation methods applied, we refer to the notes to the financial statements of the Association and restrict ourselves below to explanations to the extent they are required for assessing the overall impression given by the annual financial statements (Section 321 (2) Clause 4 HGB).

24. To provide a better understanding of the overall impression given by the annual financial statements, we refer to the material valuation principles which are presented in the notes to the financial statements (see Appendix I to this report). Changes to the valuation principles which have a material influence on the overall impression given by the annual financial statements were not made in the financial year (Section 321 (2) Clause 4 HGB).

**Material valuation principles including changes thereof**

25. With respect to the accounting and valuation methods applied, we comment as follows:

26. **Reserves** exclusively include revenue reserves.

27. The item referred to as **unused donations** contains the remaining amount of T€ 2,329 (prior year: T€ 1,405) of the 2019 development fund after deduction of the grants awarded in the reporting year, in accordance with the fund’s guidelines. In the financial year, donations in the amount of T€ 1,367 (prior year: T€ 785) were made in accordance with the guidelines, which are disclosed in other operating expenses with effect on income.

28. With respect to further valuation principles, please refer to the Association's disclosures in the notes to the financial statements (see Appendix I).
E. Conclusion

We have prepared the above report on the audit of the annual financial statements of Internationaler Schiess-Sportverband e.V. - ISSF, Munich, for the financial year from January 1 through December 31, 2020 in accordance with the statutory provisions and the generally accepted standards for the preparation of long-form audit reports (IDW PS 450 new version).

The auditor's report is included in report section B. "Copy of the Auditor's Report".

Cologne, May 18, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd. Maic Kunz) (sgd. ppa. Christian Dennler)
Wirtschaftsprüfer Wirtschaftsprüfer
(German Public Auditor) (German Public Auditor)
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<th>Annual Financial Statements for the Financial Year from January 1 through December 31, 2019</th>
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<td>1. Balance sheet as of December 31, 2019</td>
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<td></td>
<td>3. Notes to the Financial Statements for the Financial Year 2019</td>
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<td>Legal Background, Economic Background and Tax Situation</td>
<td>1</td>
</tr>
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General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften dated January 1, 2017
Annual Financial Statements for the Financial Year
from January 1 through December 31, 2020
## Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Intangible assets</td>
<td>877,00</td>
<td>2,195,00</td>
</tr>
<tr>
<td>II. Tangible assets</td>
<td>247,089,00</td>
<td>247,353,00</td>
</tr>
<tr>
<td>1. Other equipment, operating and office equipment</td>
<td>247,089,00</td>
<td>247,353,00</td>
</tr>
<tr>
<td>III. Financial assets</td>
<td>1,750,00</td>
<td>1,750,00</td>
</tr>
<tr>
<td></td>
<td>249,716,00</td>
<td>251,298,00</td>
</tr>
<tr>
<td><strong>B. Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Inventories</td>
<td>54,109,74</td>
<td>65,206,79</td>
</tr>
<tr>
<td>II. Receivables and other assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Trade receivables</td>
<td>39,353,84</td>
<td>71,466,33</td>
</tr>
<tr>
<td>2. Other assets</td>
<td>540,299,33</td>
<td>523,712,76</td>
</tr>
<tr>
<td>III. Cash on hand, bank balances</td>
<td>3,700,776,66</td>
<td>4,827,127,88</td>
</tr>
<tr>
<td></td>
<td>4,334,539,57</td>
<td>5,487,513,76</td>
</tr>
<tr>
<td><strong>C. Prepaid expenses and deferred charges</strong></td>
<td>11,526,27</td>
<td>2,913,38</td>
</tr>
<tr>
<td></td>
<td>4,595,781,84</td>
<td>5,741,725,14</td>
</tr>
</tbody>
</table>
### Equity and liabilities

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Reserves</td>
<td>3.972.073,31</td>
<td>2.458.474,30</td>
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<tr>
<td>2. Net loss for the year/net income for the year</td>
<td>-1.979.076,83</td>
<td>1.513.599,01</td>
</tr>
<tr>
<td></td>
<td>1.992.996,48</td>
<td>3.972.073,31</td>
</tr>
<tr>
<td><strong>B. Unused donations</strong></td>
<td>2.329.823,12</td>
<td>1.404.618,78</td>
</tr>
<tr>
<td><strong>C. Provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Tax provisions</td>
<td>667,00</td>
<td>0,00</td>
</tr>
<tr>
<td>2. Other provisions</td>
<td>34.900,00</td>
<td>31.000,00</td>
</tr>
<tr>
<td></td>
<td>35.567,00</td>
<td>31.000,00</td>
</tr>
<tr>
<td><strong>D. Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Customer advances</td>
<td>127.746,89</td>
<td>125.927,95</td>
</tr>
<tr>
<td>(of which with a residual term of up to one year: € 127,746.89; prior year: € 125,927.95)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Trade payables</td>
<td>81.398,50</td>
<td>192.126,95</td>
</tr>
<tr>
<td>(of which with a residual term of up to one year: € 81,398.50; prior year: € 192,126.95)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Other liabilities</td>
<td>28.249,85</td>
<td>15.978,15</td>
</tr>
<tr>
<td>(of which with a residual term of up to one year: € 28,249.85; prior year: € 15,978.15)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(of which taxes: € 22,688.86; prior year: € 13,396.21)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(of which social security payables: € 0.00; prior year: € 306.60)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>237.395,24</td>
<td>334.033,05</td>
</tr>
<tr>
<td></td>
<td>4.595.781,84</td>
<td>5.741.725,14</td>
</tr>
</tbody>
</table>
### Internationaler Schiess-Sportverband e. V. - ISSF, Munich

#### Income Statement for the Period from January 1 through December 31, 2020

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sales revenue</td>
<td>€236.281.25</td>
<td>€451.577.06</td>
</tr>
<tr>
<td>2. Other operating income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(of which from currency translation: €1,251.75; prior year: €195,084.91)</td>
<td>€1.618.527.64</td>
<td>€5.248.851.65</td>
</tr>
<tr>
<td>(of which from donations: €1,367,322.02; prior year: €785,290.12)</td>
<td>€1.854.808.89</td>
<td>€5.700.428.71</td>
</tr>
<tr>
<td>3. Cost of materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Cost of raw materials and supplies</td>
<td>€25.453.54</td>
<td>€59.063.97</td>
</tr>
<tr>
<td>and of purchased merchandise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Cost of purchased merchandise</td>
<td>€107.88</td>
<td>€0.00</td>
</tr>
<tr>
<td>4. Personnel expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Wages and salaries</td>
<td>€323.127.30</td>
<td>€598.813.95</td>
</tr>
<tr>
<td>b) Social security, pension and other benefits</td>
<td>€39.933.96</td>
<td>€74.164.09</td>
</tr>
<tr>
<td>(of which relating to old-age pensions: €0.00; prior year: €0.00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Amortization/depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Amortization and depreciation of intangible and tangible fixed assets</td>
<td>€42.729.07</td>
<td>€37.085.77</td>
</tr>
<tr>
<td>6. Other operating expenses</td>
<td>€3.417.749.78</td>
<td>€3.545.432.62</td>
</tr>
<tr>
<td>(of which from currency translation: €595,699.66; prior year: €0.00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Other interest and similar income</td>
<td>€24.330.85</td>
<td>€141.037.64</td>
</tr>
<tr>
<td>8. Interest and similar expenses</td>
<td>€526.12</td>
<td>€0.00</td>
</tr>
<tr>
<td>10. Profit or loss after taxes</td>
<td>-€1.978.142.05</td>
<td>€1.514.534.01</td>
</tr>
<tr>
<td>11. Other taxes</td>
<td>€834.78</td>
<td>€935.00</td>
</tr>
<tr>
<td>12. Net loss for the year/ net income for the year</td>
<td>-€1.979.076.83</td>
<td>€1.513.599.01</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements

General Information on the Annual Financial Statements

The annual financial statements were prepared on a voluntary basis in accordance with Sections 238 et seqq. HGB.

Information on the identification of the Association according to the Register Court

Name of the Association according to the Register Court: Internationaler Schiess-Sportverband e.V. - ISSF

Registered office of the Association according to the Register Court: Munich

Entry in the Register: Register of Associations

Register Court: Munich

Register No.: 10152

Information concerning the accounting and Valuation Methods

General information

The income statement was prepared in accordance with the type-of-expenditure format set forth in Section 275 (2) HGB. The annual financial statements were prepared on the basis of the going-concern assumption.

The relief provisions pursuant to Sections 266 (1) Clause 3, 274a and 288 HGB for small corporations were admissibly exercised by omitting certain disclosures in the notes.

Accounting and valuation principles

Purchased intangible assets were recognized at acquisition cost and, provided that they were subject to wear and tear, were reduced by scheduled amortization. They are amortized over 5 years on a straight-line basis.

Tangible assets were recognized at acquisition cost and, provided that they were subject to wear and tear, were reduced by scheduled depreciation.

Scheduled depreciation was charged on a straight-line basis over the anticipated useful lives of the assets. The usual useful lives of tangible assets range between 3 and 15 years.
In financial assets, long-term equity investments were stated at acquisition cost. If necessary, financial assets are written down to the lower fair value as of the balance sheet date if an impairment is expected to be permanent.

Inventories were stated at acquisition or production cost. Acquisition cost was determined on an individual basis. Whenever the current values at the balance sheet date were lower, these current values were stated.

Receivables and other assets were valued with due regard to all identifiable risks; i.e. these items are recognized at their nominal values less appropriate individual devaluations.

Liquid funds are stated at their nominal values. Liquid funds in foreign currency are, as a rule, translated using the average spot exchange rate prevailing at the balance sheet date.

Prepaid expenses and deferred charges include prepayments for future periods on a pro rata temporis basis.

Reserves are reported at their nominal amount and exclusively include revenue reserves.

The item referred to as unused donations contains the remaining amount of the 2019 development fund after deduction of the grants awarded in the reporting year in accordance with the rules.

Tax provisions and other provisions were created for all other contingent liabilities. All identifiable risks were taken into account. They were recognized at the settlement amount required according to reasonable commercial assessment.

Customer advances are stated at nominal value.

Liabilities were stated at their settlement amount.

**Different accounting and valuation methods compared to the prior year**

In the annual financial statements, the accounting and valuation methods previously applied were fully retained.

There was no change in accounting and valuation methods when compared to the prior year.

**Notes to the Balance Sheet**

The immediate write-off of low-value assets is reported as addition and disposal. The amortization/depreciation charges for the financial year therefore do not include those amounts.
Receivables and other assets with a residual term of up to one year amount to EUR 579,653.17 (prior year: EUR 595,179.09).

As in the previous year, reserves as of December 31, 2020, solely included revenue reserves; in the tax accounts, a reserve pursuant to Section 62 (1) No. 3 AO [Abgabenordnung - German Fiscal Code] in the amount of EUR 725,000 is reported as of December 31, 2020 (prior year: EUR 725,000).

Of the 2019 development fund set up in the reporting year with the approval of the tax office, an amount of EUR 2,329,823.12 (prior year EUR 1,404,618.78) remained from the donations received in the amount of € 2,292,526.36 (prior year EUR 2,189,908.90) after deduction of the quota allocations of EUR 1,367,322.02 (prior year EUR 785,290.12) regulated in the fund guidelines, which will be distributed in the following years in accordance with the guidelines.

Liabilities with a residual term of up to one year amount to EUR 237,395.24 (prior year: EUR 334,033.05).

**Other Disclosures**

**Average number of staff employed during the financial year**

On average, our Association had 2 (prior year: 4) salaried employees.

**Executive committee**

Executive committee members authorized to represent the Association during financial year 2020 were:

- Vladimir Lisin, Moscow/Russia (President)
- Alexander Borisovic Ratner, Frankfurt am Main (Secretary General)

**Supplementary report**

The corona pandemic and associated restrictions had an impact on activities and the participation or hosting of various events already planned in 2019. For example, the Summer Olympic Games in Tokyo took place at a later point in time in July and August 2021. From the funds available, the IOC made a donation to the Internationaler Schiess-Sportverband e.V. – ISSF in 2021.

Munich, May 10, 2022

Vladimir Lisin

Alexander Borisovic Ratner
# Legal Background, Economic Background, Tax Situation

<table>
<thead>
<tr>
<th><strong>Association</strong></th>
<th>Internationaler Schiess-Sportverband e.V. - ISSF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Registered office</strong></td>
<td>Munich</td>
</tr>
<tr>
<td><strong>Register of Associations</strong></td>
<td>The Association has been entered in the Register of Associations of the Munich Local Court under number VR 10152 on August 5, 1981. The most recent excerpt from the Register of Associations is dated August 9, 2021.</td>
</tr>
<tr>
<td><strong>Articles of association</strong></td>
<td>Valid in the version dated December 7, 2019; the most recent amendment is dated June 10, 2020.</td>
</tr>
<tr>
<td><strong>Financial year</strong></td>
<td>The financial year corresponds to the calendar year.</td>
</tr>
<tr>
<td><strong>Executive bodies of the Association</strong></td>
<td>The executive bodies of the Association are the general assembly and the executive committee. The executive committee is elected by the general assembly every four years.</td>
</tr>
<tr>
<td><strong>Executive committee</strong></td>
<td>Vladimir Lisin, Moscow/Russia (President)</td>
</tr>
<tr>
<td></td>
<td>Alexander Borisovic Ratner, Frankfurt am Main</td>
</tr>
<tr>
<td></td>
<td>(Secretary General)</td>
</tr>
<tr>
<td><strong>Purpose of the Association</strong></td>
<td>The purpose of ISSF is to promote and accompany the development of shooting sport without discrimination for political, racist or religious reasons and to strengthen the relations of friendship between the shooting federations of all nations.</td>
</tr>
<tr>
<td><strong>Tax situation</strong></td>
<td>The Association is registered at the Munich tax office under tax number 143/217/40716.</td>
</tr>
</tbody>
</table>
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 regulations. 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 engagement 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 engagement by such persons, 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 engagement by such persons.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, or related firms, firms within its 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 (Text form) [Translators 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 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 ProdHaRG. 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 duties 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 is admissible only for undisputed claims or claims determined to be legally binding.

(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 (Verbraucherschlichtungsgesetz) 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.