



**Die internationale Biathlon Union (IBU),  
Salzburg, Austria**

Report on the Audit of the Financial  
Statements for the Year ended  
30 April 2021

24 June 2021

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft  
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### Annex

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I

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To the Members of the Management and Executive Board of  
Die internationale Biathlon Union (IBU),  
Salzburg, Austria

We have audited the financial statements and the financial conduct for the year ended 30 April 2021 of

**Die internationale Biathlon Union (IBU),  
Salzburg, Austria**  
(referred to as "the Association"),

and **report** on the result of our audit as follows:

## **1. Audit Contract and Scope of the Engagement**

In the XIII. Ordinary Congress of "IBU" ("die Internationale Biathlon Union") we were elected as auditors in accordance with Section 22 Paragraph 2 Vereinsgesetz (short: "VerG" = Austrian Code of Association) for the financial year from 1 May 2020 to 30 April 2021. According to Section 22 Paragraph 2 VerG our audit includes the procedures performed over financial conduct as comptroller ("Rechnungsprüfung").

The Association, represented by the management, concluded an **audit contract** with us to audit the financial statements of the Association as at 30 April 2021. Our audit also comprised the accounting system in accordance with Section 269 et seq Unternehmensgesetzbuch (short: "UGB" = Austrian Commercial Code) and the comptroller's procedures.

The Association is a **large association** in accordance with Austrian Code of Association. Large Associations have to comply with the regulations of Section 22 Paragraph 2 Austrian Code of Association under corresponding application of the provisions of the Austrian Commercial Code.

The audit is a **statutory** audit.

Our audit work complies with the principles specified in § 269 ff UGB and with the additional requirements set forth in the Austrian Code of Association.

The **audit includes** assessing whether the statutory requirements concerning the preparation of the financial statements and additional regulations as stipulated in the articles of association were adhered to.

The **assurance as a Comptroller** includes assessing whether financial conduct was correct in all material aspects and the funds were used in accordance with the articles of association. We are required to report on any identified accounting deficiencies or risks which could pose a

threat to the Association's ability to continue as a going concern and pay special attention to unusual revenues and expenses, particularly any cases of self-dealing.

Our audit was performed in accordance with the **legal requirements and Austrian Standards on Auditing** and independent assurance engagements. These standards require that we comply with International Standards on Auditing – (ISAs). We would like to emphasize that the goal of the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Absolute assurance is not attainable due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system. There is an unavoidable risk that even material misstatements may remain undetected. Areas which are generally covered in special engagements were not included in our scope of work.

We performed the audit mainly at the Association's premises in Salzburg between May and June 2021. The audit was substantially completed at the date of this report.

**Engagement partner** of the engagement is Mr Johannes Bauer, Wirtschaftsprüfer (Austrian Chartered Accountant).

Our audit is based on the audit contract concluded with the Association. The "General **Conditions of Contract**" issued by the Chamber of Tax Advisers and Auditors (see Annex II), form an integral part of the audit contract. The conditions of contract do not only apply to the Association and the auditor, but to third parties as well. Our liability as auditors is guided under Section 275 UGB in accordance with Section 24 Paragraph 4 VerG.

## **2. Breakdown and Description of Significant Financial Statement Items**

The breakdown and description of all significant financial statement items are included in the notes to the financial statements. We refer to the respective disclosures made by management in the notes.

### **3. Summary of Audit Findings**

#### **3.1. Compliance with Statutory Requirements of the Accounting System and Financial Statements**

We obtain evidence that the **accounting system** is in compliance with statutory requirements and the articles of association.

In line with our risk and controls based audit approach and to the extent we considered necessary for the purpose of expressing an opinion, we considered internal controls related to sub processes of the financial reporting process as part of our audit.

With regard to the compliance of the **financial statements** with all applicable statutory requirements we refer to the auditor's report.

#### **3.2. Explanations and Evidence**

The President and the other members of the Board concern responsible for accounting and financial management have sufficiently provided all evidence and explanations requested by us as well as their signed management representation letter.

#### **3.3. Reporting in accordance with section 273 paragraph 2 and 3 UGB**

During our audit we did not note any facts which indicate that there could be substantial doubt about the Association's ability to continue as a going concern nor indicate a material deterioration of the Association's performance. Neither did we note any indications of non-compliance with Austrian law or the articles of association. We did not note any material weaknesses in the internal controls over the financial reporting process. The criteria for reorganization per Section 22 Paragraph 1 Subsection 1 URG (Austrian Corporate Restructuring Act) were not met.

## **4. Auditor's Report**

### **Report on the Financial Statements**

We have audited the financial statements of

**Die internationale Biathlon Union (IBU),  
Salzburg, Austria,**

which comprise the Statement of Financial Position as at 30 April 2021, the Statement of Activities for the fiscal year then ended, and the Notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as at 30 April 2021, and its financial performance for the year then ended, in accordance with Austrian Generally Accepted Accounting Principles and other legal requirements set forth in the Vereinsgesetz (short: "VerG" = Austrian Code of Association).

### **Basis for our Opinion**

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the Association, in accordance with Austrian Code of Association and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibility Management's for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements set forth in the Austrian Code of Association and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

### **Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements 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 control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's 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 our audit report to the respective note in the financial statements. If such disclosures are not appropriate, we will 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 continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





## **Engagement Partner**

The engagement partner is Mr Johannes Bauer.

Vienna, 24 June 2021

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

qualified electronically signed:  
Johannes Bauer  
Wirtschaftsprüfer  
(Austrian Chartered Accountant)

## 5. Comptroller's Report

We have performed an independent assurance engagement as Comptroller in connection with the financial conduct of the

**Die internationale Biathlon Union (IBU),  
Salzburg, Austria,**

for the financial year from 1 May 2020 to 30 April 2021.

### **Management's Responsibility**

Management is responsible for the correctness of the financial conduct and for the usage of the funds in accordance with the articles of association. Management is also responsible to establish an accounting system appropriate for the requirements of the Association and for the timely and adequate recognition of the Association's financial position.

### **Comptrollers' Responsibility**

Our responsibility is to state whether, based on our procedures performed, the accounting system and the financial conduct are correct in all material respects and whether the Association's funds were used in accordance with the articles of the association. We are required to report on any identified accounting deficiencies or risks which could pose a threat to the Association's ability to continue as a going concern and pay special attention to unusual revenues and expenses, particularly any cases of self-dealing.

Our engagement was conducted in conformity laws and regulations applicable in Austria and with Austrian Standards for independent assurance engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with reasonable assurance, taking into account materiality.

The procedures selected depend on the comptroller's judgement, including the assessment of the risks of material misstatement whether due to fraud or error. In making those risk assessments, the comptroller considers internal control relevant to the Association's accounting system in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an independent assurance conclusion on the effectiveness of the Association's internal control. The funds are used in accordance with the articles of Association, if the funds are used for the fulfillment of the objectives of the Association, particularly to finance the activities necessary for the realization of the Association's purpose. The assessment of the economy and efficiency of the management was not a subject of the audit.

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our independent assurance conclusion.

## **Independent Assurance Conclusion**

Based on the procedures performed for the financial year from 1 May 2020 to 30 April 2021 the financial conduct was correct in all material aspects and the funds were used in accordance with the articles of association. Unusual revenues and expenses, particularly any cases of self-dealing, did not occur.

Vienna, 24 June 2021

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

qualified electronically signed:  
Johannes Bauer  
Wirtschaftsprüfer  
(Austrian Chartered Accountant)



**Financial Statements as of and  
for the Year ended 30 April 2021**

<b>Assets</b>	2021-04-30 EUR	2020-04-30 EUR
<b>A. Fixed Assets</b>		
I. Intangible Assets		
1. Software and Brand	233,043.08	468,262.34
II. Tangible Assets		
1. Buildings	147,268.87	29,768.15
<i>thereof fittings in third-party buildings</i>	<i>147,268.87</i>	<i>29,768.15</i>
2. Equipment	250,426.24	170,499.12
3. Assets under construction	18,000.00	26,796.70
	415,695.11	227,063.97
III. Financial Assets		
1. Securities holdings	51,176,161.32	60,245,964.81
	<b>51,824,899.51</b>	<b>60,941,291.12</b>
<b>B. Current Assets</b>		
I. Receivables and other Assets		
1. Accounts Receivables	1,556,673.17	1,200,368.08
2. Other Receivables	156,366.15	163,515.99
	1,713,039.32	1,363,884.07
II. Cash, Bank Accounts	6,746,698.19	6,671,712.87
	<b>8,459,737.51</b>	<b>8,035,596.94</b>
<b>C. Deferred Charges</b>	<b>96,355.94</b>	<b>58,737.75</b>
<b>Total Assets</b>	<b>60,380,992.96</b>	<b>69,035,625.81</b>

Liabilities	2021-04-30 EUR	2020-04-30 EUR
<b>A. Association net assets</b>		
I. Restricted acc. Congress		
1. Restricted acc. Congress	50,000,000.00	48,000,000.00
2. Temporarily restricted acc. Congress	5,000,000.00	10,000,000.00
	<u>55,000,000.00</u>	<u>58,000,000.00</u>
II. Accumulated surplus	194,929.23	3,192,983.07
<i>thereof result carried forward</i>	<i>3,192,983.07</i>	<i>10,105,447.51</i>
	<b>55,194,929.23</b>	<b>61,192,983.07</b>
<b>B. Provisions</b>		
1. Other provision	<b>751,058.00</b>	<b>657,860.04</b>
<b>C. Liabilities</b>		
1. Accounts payable	3,342,895.70	2,133,927.66
<i>thereof residual term up to 1 year</i>	<i>3,342,895.70</i>	<i>2,133,927.66</i>
2. Other liabilities	92,110.03	50,855.04
<i>thereof tax</i>	<i>39,988.42</i>	<i>25,281.30</i>
<i>thereof for social security</i>	<i>47,367.02</i>	<i>25,567.74</i>
<i>thereof residual term up to 1 year</i>	<i>92,110.03</i>	<i>50,855.04</i>
	<b>3,435,005.73</b>	<b>2,184,782.70</b>
<i>thereof residual term up to 1 year</i>	<i>3,435,005.73</i>	<i>2,184,782.70</i>
<b>D. Deferred income</b>	<b>1,000,000.00</b>	<b>5,000,000.00</b>
<b>Total Liabilities</b>	<b>60,380,992.96</b>	<b>69,035,625.81</b>

<b>Profit and loss statement</b>	2020/2021 EUR	2019/2020 EUR
<b>1. Revenues</b>		
a) Membership fee	16,950.00	16,950.00
b) Other income	32,630,934.76	27,970,351.84
	<b>32,647,884.76</b>	<b>27,987,301.84</b>
<b>2. Other operating income</b>		
a) Income from disposal of tangible assets excluding financial assets	1,366.29	0.00
b) Income from the reversal of accruals	136,556.24	133,692.00
c) other	46,217.22	89,143.65
	<b>184,139.75</b>	<b>222,835.65</b>
<b>3. Contributions to National Federations and Sports</b>		
a) Contributions to National Federations and Sports	<b>32,145,542.16</b>	<b>26,803,527.13</b>
<b>4. Staff and Management</b>		
a) Staff costs and Management expenses	1,535,283.85	1,036,767.80
b) Social Expenses	378,725.77	230,480.70
aa) Contribution to employee provision fund	26,391.69	13,812.97
bb) Payroll taxes and social contributions	352,334.08	216,667.73
	<b>1,914,009.62</b>	<b>1,267,248.50</b>
<b>5. Depreciation</b>		
a) on intangible and tangible assets	<b>291,724.89</b>	<b>222,026.00</b>
<b>6. General administration</b>		
a) other	<b>4,583,766.75</b>	<b>4,256,309.87</b>
<b>7. Subtotal 1-6</b>	<b>-6,103,018.91</b>	<b>-4,338,974.01</b>
<b>8. Income from securities</b>	<b>195,794.40</b>	<b>263,159.99</b>
<b>9. Interest earned</b>	<b>2,146.02</b>	<b>25,820.19</b>
<b>10. Income from sale of and addition to securities</b>	<b>657,229.87</b>	<b>208,792.59</b>
<b>11. Expense for Securities</b>	<b>746,975.41</b>	<b>48,124.44</b>
<i>Depreciation on securities</i>	<i>746,975.41</i>	<i>48,124.44</i>
<b>12. Interest expense</b>	<b>13.46</b>	<b>0.00</b>
<b>13. Subtotal 8-12</b>	<b>108,181.42</b>	<b>449,648.33</b>
<b>14. Capital gains tax</b>	<b>3,216.35</b>	<b>23,138.76</b>
<b>15. Earnings after taxes</b>	<b>-5,998,053.84</b>	<b>-3,912,464.44</b>
<b>16. Release of reserves</b>	<b>5,000,000.00</b>	<b>5,000,000.00</b>
<b>17. Allocation to reserves temporarily restricted</b>	<b>2,000,000.00</b>	<b>8,000,000.00</b>
<b>18. Profit of the year</b>	<b>-2,998,053.84</b>	<b>-6,912,464.44</b>
<b>19. Net Income carried forward</b>	<b>3,192,983.07</b>	<b>10,105,447.51</b>
<b>20. Accumulated surplus</b>	<b>194,929.23</b>	<b>3,192,983.07</b>



## Notes to the Financial Statements for the Financial Year 2020/2021

### 1. Accounting and valuation principles

#### 1.1. General principles

The Financial Statements were prepared under the Generally Accepted Accounting Principles, giving a true and fair view of the Company's financial position.

The principle of completeness was applied at preparation of the Financial Statements.

The evaluation of assets and liabilities was carried out considering the principle of individual items valuation and the going concern concept.

The principle of prudence was considered by showing only the realized gains at balance sheet date. All recognizable risks and possible future losses arisen in the fiscal year were taken into account.

Valuation principles remained unchanged compared to prior years.

After the Balance Sheet Date the following material subsequent events which have not been included in balance sheet or income statement occurred:

The spread of the COVID-19 coronavirus in early 2020 became a worldwide public health emergency with significant effects on the population and businesses. The global economy was and will be further on significantly affected by this COVID-19 pandemic. Though the actual extent as well as the duration of the crisis cannot be estimated at the time of the report.

Also financial statements of IBU show the impacts of the crisis: although revenues were increasing compared to last year, expenses rose disproportionate among other things due to COVID-19 measures. This extraordinary expense applies to additional financial support of the national federations and OCs in the amount of over EUR 4.1m and hygiene management amounting to EUR 2.6m. Bottom line a negative result for the financial year 2020/21 has to be presented. Not only due to sufficient equity reserves, from today's perspective management assumes that the continued existence of IBU ("Going Concern ") is secured, both from a liquidity and profitability point of view.

In financial year 2020/21 charitable tax-exempt status of IBU was confirmed again by the Ministry of Finance.

#### 1.2. Fixed Assets

##### Intangible Assets

Intangible assets are valued at acquisition cost reduced by straight-line depreciation.

Scheduled depreciation is based on the following useful lives:

Intangible assets	Useful life
Software	3
Homepage	5
Brand	10

**Tangible Assets**

Fixed assets are valued at acquisition or manufacturing cost reduced by straight-line depreciation.

For calculating the depreciation, the following methods are used:

The systematic depreciation is calculated on a straight-line basis over their expected useful life (depreciation periods are shown together with the details to the respective items in the following). Low value assets up to EUR 400.00 each are completely written off in the year of acquisition. Assets acquired in the first half of a financial year are depreciated by an annual depreciation and additions to assets in the second half of a financial year are depreciated by semi-annual depreciation. Impairment losses are recognized at the reporting date if impairment is expected to be permanent. Neither in the fiscal year, nor in the previous year impairment losses have been recognized.

Scheduled depreciation is based on the following useful lives:

Fixed assets	Useful life
Fittings in third-party buildings	10
Equipment	3 - 10
Vehicles	5

Extraordinary depreciation is considered if the fair value is lower than the book-value.

**Financial Assets**

Financial assets are valued at acquisition cost or at the lower market value.

Impairment losses are recognized at the reporting date if the market value at reporting date is lower than acquisition cost, irrespective of the impairment is expected to be permanent or not. If, in a later financial year, it becomes apparent that the reasons for the impairment no longer exist, the amount of the depreciation will be credited to the extent of the increase in value.

**1.3. Current Assets****Receivables**

Accounts receivable are valued at their nominal value. Recognizable risks are considered by individual allowances.

**Cash and cash equivalents**

The evaluation is made at nominal value.

**1.4. Provisions****Other provisions**

Other provisions are made for all other uncertain liabilities. In accordance with the prudence principle all foreseeable risks during the preparation of the financial statements were provided for with the most probable value based on sound business judgment.

**1.5. Liabilities**

Liabilities are valued at settlement value.

If the current value at closing date is higher than the amount repayable, the higher current value is accounted for.

**1.6. Foreign currency translation**

Foreign currency receivables are converted using the exchange rate at the date of initial recognition or at balance sheet date if lower.

Foreign currency liabilities are converted using the exchange rate of initial recognition or at balance sheet date if higher.

**1.7. Changes in accounting and valuation principles**

The presentation of the annual financial statements is unchanged compared to the previous year.

## 2. Details and Explanations to certain items of the balance sheet and the profit and loss account

### 2.1. Explanations to certain items of the balance sheet

#### Fixed assets

The development of fixed assets and details to the depreciation are shown in the attached schedule (Appendix 1).

#### Intangible Assets

The additions in the financial year relate to extension of software licences and investments in database management.

#### Tangible Assets

The additions in the financial year relate to investments in foreign buildings, office and IT equipment .

#### Financial Assets

	2021-04-30 EUR	2020-04-30 TEUR
<b>Securities</b>		
Deposit Spängler Bank	37,181,893.49	60,246
Deposit Capital Bank	13,994,267.83	0,000
	<u>51,176,161.32</u>	<u>60,246</u>

The calculation of the values as stated in the fixed assets schedule is computed as follows:

The immediate write-off of low-value assets (below EUR 400.00) is included in the depreciation of the current year, but is deducted from the accumulated depreciation and stated separately again under column "additions" and "disposals".

In financial year 2020/21 impairment of financial assets amounted to EUR 746,975.41 (prior year: EUR 48,124.44).

#### Accounts receivable and other assets

	Total EUR	thereof residual term up to 1 year EUR
<b>Receivables and other Assets</b>		
Accounts Receivables	1,556,673.17	1,556,673.17
PY in 1000	1,200	1,200
Other Receivables	156,366.15	156,366.15
PY in 1000	164	164
Sum Receivables	<u>1,713,039.32</u>	<u>1,713,039.32</u>
PY in 1000	<u>1,364</u>	<u>1,364</u>

Accounts receivables nearly completely contain of receivables from national federations.

The following items are included in the balance sheet item "Other Receivables":

	2021-04-30 EUR	2020-04-30 TEUR
Deposit SPB Spängler	0.00	15
Interests	58,328.99	98
Membership fees	2,270.00	1
less allowance	-450.00	0
prepayment	95,487.95	49
Other	729.21	1
	<u>156,366.15</u>	<u>164</u>

EUR 0.00 (previous year: TEUR 0) has a maturity of more than one year, all other items have a maturity, as in the previous year, less than one year.

The balance sheet item "Other Receivables" contains revenues of EUR 59,058.20 (previous year: TEUR 98) which affect payment only after balance sheet date.

#### Cash and cash equivalents

	2021-04-30 EUR	2020-04-30 TEUR
Cash	<u>3,122.87</u>	<u>6</u>

#### Bank accounts

	2021-04-30 EUR	2020-04-30 TEUR
Bank accounts	<u>6,743,575.32</u>	<u>6,666</u>

#### Deferred charges

	2021-04-30 EUR	2020-04-30 TEUR
Deferred charges	<u>96,355.94</u>	<u>59</u>

#### Association net assets

	2021-04-30 EUR	2020-04-30 TEUR
Restricted Reserves	50,000,000.00	48,000
Temporarily restricted Reserves	5,000,000.00	10,000
Accumulated surplus	194,929.23	3,193
	<u>55,194,929.23</u>	<u>61,193</u>

	EUR
Unrestricted Reserves at 01.05.2020	3,192,983.07
Allocation to restricted Reserves	-2,000,000.00
Operating loss 01.05.2020-30.04.2021	-998,053.84
Unrestricted Reserves 30.04.2021	<u>194,929.23</u>

The dedicated reserves amounting to EUR 15.000.000,00 were built from the proceeds of the Olympic Winter Games in Pyeongchang in 2018 and are released equally until 2022. The proceeds, which were allocated in the amount of TEUR 15.000 and released for the budget of the period 2020/2021 in the amount of TEUR 5.000 (prior year TEUR 5.000), have been assigned to the temporarily restricted reserves for the period 2018/2019 until 2021/2022.

	2020-04-30 TEUR	Allocation TEUR	Release TEUR	2021-04-30 TEUR
Temporarily restricted reserves IOC	10,000	0.00	5,000	5,000

### Provisions

Other provisions have developed as follows:

	Status 2020-05-01 EUR	Usage EUR	Cancellation EUR	Allocation EUR	Status 2021-04-30 EUR
Other provision					
Accrued vacation days	146,200.00	146,200.00	0.00	169,891.18	169,891.18
Accrued time credits	3,100.00	3,100.00	0.00	20,438.30	20,438.30
Accrued vacation pay and christmas bonus	61,500.00	61,500.00	0.00	91,192.71	91,192.71
Accrued bonus	40,300.00	40,300.00	0.00	40,900.00	40,900.00
Accrued external advisory	130,000.00	0.00	130,000.00	31,100.00	26,100.00
Annual audit costs, external	45,900.00	44,090.58	1,809.42	44,400.00	44,400.00
Doping control expense	140,035.81	140,035.81	0.00	312,035.81	312,035.81
Others	90,824.23	86,077.41	4,746.82	41,100.00	41,100.00
	<u>657,860.04</u>	<u>521,303.80</u>	<u>136,556.24</u>	<u>751,058.00</u>	<u>751,058.00</u>

The external audit fee for current year's audit of financial statements amounts to EUR 28,798.58 (previous year: TEUR 24).

**Liabilities**

	Total EUR	thereof residual term up to 1 year EUR
<b>Liabilities</b>		
Accounts payable	3,342,895.70	3,342,895.70
PY in 1000	2,134	2,134
Other liabilities	92,110.03	92,110.03
PY in 1000	51	51
<i>thereof tax</i>	39,988.42	39,988.42
<i>PY in 1000</i>	25	25
<i>thereof for social security</i>	47,367.02	47,367.02
<i>PY in 1000</i>	26	26
<b>Total Liabilities</b>	<b>3,435,005.73</b>	<b>3,435,005.73</b>
<b>PY in 1000</b>	<b>2,185</b>	<b>2,185</b>

Accounts payable include:

	2021-04-30	2020-04-30
National Federations	2,694,850.00	941,250.00
Reimbursement refer to Covid-19	0.00	765,000.00
other accounts payable	648,045.70	427,677.66
	<u>3,342,895.70</u>	<u>2,133,927.66</u>

The balance sheet item "other liabilities" contains expenditure of EUR 91,810.03 (previous year: TEUR 51) which affect payment only after balance sheet date.

No liabilities are secured by property.

**Deferred income**

	2021-04-30	2020-04-30
Deferred income	<u>1,000,000.00</u>	<u>5,000,000.00</u>

This position contains the signing-fee from European Broadcasting Union (EBU) that has been received in financial year 2019/2020. The signing fee was accrued as deferred income and is released to income in financial years 2020/2021 and 2021/2022 according to time schedule.

**Obligations arising from the use of property, plant and equipment not shown in the balance sheet**

The obligations under rental agreements will amount to EUR 313,000.00 in the financial year 2020/2021 (previous year: TEUR 296) and in the following five financial years to EUR 1,389,000.00 (previous year: TEUR 1,480).

**Other contingencies and obligations**

There is a bank guarantee in favour of the lessor of IBU's premises amounting to EUR 69,810.00 instead of providing a cash deposit to the lessor.

## 2.2. Explanations to certain items of the profit and loss account

### Revenues

	2020/2021 EUR	2019/2020 TEUR
Membership fee	16,950.00	17
Other Revenues	32,630,934.76	27,970
	<u>32,647,884.76</u>	<u>27,987</u>

Other revenues include amongst other topics revenues from TV broadcasting rights, advertising, IOC sports development, IOC/OC revenues and reimbursements of expenditures.

### Other operating income

	2020/2021 EUR	2019/2020 TEUR
Income of the sale of fixed assets	1,366.29	0
Income from the reversal of provisions	136,556.24	134
other	46,217.22	89
	<u>184,139.75</u>	<u>223</u>

Other operating income contains particularly reimbursements (previous year: exchange rate differences).

### Contributions to National Federations and Sports

	2020/2021 EUR	2019/2020 TEUR
Support of National Federations	9,205,443.86	7,368
Prize Money	7,280,500.00	6,545
Contribution to IBU events	5,002,570.00	3,838
Contributions to National Fed. for participation	4,699,475.00	4,623
Extraordinary expense due to COVID-measures	2,579,885.72	0,000
Doping control expense	976,743.40	1,135
Other	2,400,924.18	3,294
	<u>32,145,542.16</u>	<u>26,804</u>

Contribution to IBU events and Support of National Federations includes compensations of EUR 4,149,200.00 concerning events affected because of COVID-19 coronavirus (previous year: EUR 765,000.00). This year additional EUR 2,579,885.72 (previous year: EUR 0.00) of expense are due to COVID-19 related measures like testing and hygiene management.



**Personnel expense**

	2020/2021 EUR	2019/2020 TEUR
a. Staff costs and Management expenses	1,535,283.85	1,037
b. Social Expenses	378,725.77	230
	<u>1,914,009.62</u>	<u>1,267</u>

The remuneration of Secretary General amounts to EUR 239,796.60 (prior year: EUR 151,328.38) including non-wage labour costs.

**Average number of employees**

	2020/2021	2019/2020
Employees IBU	16	12
Employees BIU	4	2
	<u>20</u>	<u>14</u>

In the Financial Year 2020/2021 18.8 full-time-equivalents (prior year: 12.2) were employed, thereof 2.9 (prior year: 1.1) within BIU.

**Other operating expenses**

	2020/2021 EUR	2019/2020 TEUR
Consultants and lawyers	1,606,660.51	1,621
Public relations	676,187.28	973
Travel costs	118,854.61	592
Safe custody fee	138,626.05	224
Rental expense	541,963.10	208
Office supplies	306,480.80	179
other	1,194,994.40	459
	<u>4,583,766.75</u>	<u>4,256</u>

The position Consultants and lawyers include cost for Russian Biathlon Union (RBU). As of 30th April 2021 IBU discloses receivables against RBU in the amount of EUR 1,504,333.17 and payables in the amount of EUR 1,587,600.00 which refer to on-hold-payments.

The receivables and payables arose in the financial years 2018/2019 and afterwards:

	until 2019/2020	2020/2021	Sum
receivables	1,102,718.08	401,615.09	1,504,333.17
payables	-941,250.00	-646,350.00	-1,587,600.00
open balance of the receivables against IBU			-83,266.83

Office supplies contain particularly IT expenses and translation fees. Other operating expenses include building maintenance, leasing fees for vehicles and insurance.

**Remuneration of IBU President**

The remuneration of IBU President, that is shown in other operating expense, amounts to EUR 75.000 (prior year: EUR 30,000.00). Due to full time commitment of the president to IBU the remuneration was increased accordingly via Executive Board resolution from EUR 30,000.00 to an annual amount of EUR 120,000.00 effective from November 2020.

**Income from sale of and addition to securities**

This position comprises realised income and expenditure from sale of the financial assets.

**Expenses for Securities**

In this position valuation effects including foreign exchange effects for financial assets are shown.

**3. Other mandatory declarations**

The financial statements have been prepared based on the respective laws and regulations.

Balance sheets, profit and loss statements and notes comply with legal requirements and give a true and fair view of the financial position in accordance with Austrian Generally Accepted Accounting Principles.

IBU is a large association ("großer Verein") according to § 22 VerG.

No loans or advance payments were granted to Executive Board and General Secretary.

**Information about the members of the Executive Board**

The Executive Board of IBU in financial year 2020/21 consists of the following members:

- Olle Dahlin, President
- Jiri Hamza, Vice President
- Dr. Klaus Leistner, Treasurer
- Max Cobb, Executive Board Member
- Tore Boygard, Executive Board Member
- Jim Carrabre, Executive Board Member
- Ivor Lehotan, Executive Board Member
- Franz Steinle, Executive Board Member
- Clare Egan, Executive Board Member (Athlete's representative)
- Niklas Carlsson, Secretary General (without right to vote)

**Events subsequent to Balance Sheet Date**


After the Balance Sheet Date the following material subsequent events which have not been included in balance sheet or income statement occurred:

After balance sheet date the Global COVID-19 pandemic is still significantly affecting people and economic

environment. Due to ongoing vaccination of the population and warmer climate in the summer month a preliminary improvement of the situation is expected from health experts. Nevertheless there is common uncertainty about further development of the crisis in autumn. As the actual extent as well as the duration of the crisis as a whole cannot be estimated at the time of the report, no statement of the concrete financial implications of IBU for the financial year 2021/22 can be made. From today's perspective management assumes that the continued existence of IBU ("Going Concern") is secured.

In addition no further material subsequent events occurred.

Anif, June 21, 2021



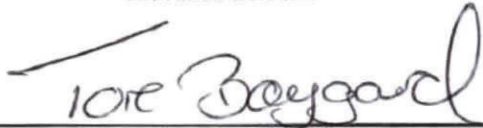
President

Olle Dahlin



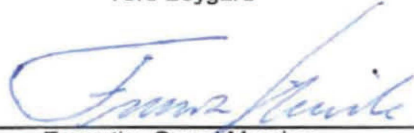
Treasurer

Dr. Klaus Leistner



Executive Board Member

Tore Boygard

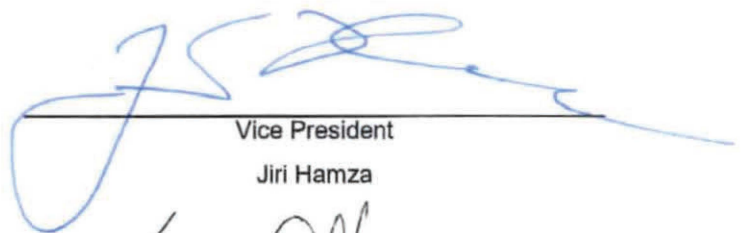


Executive Board Member

Dr. Franz Steinle

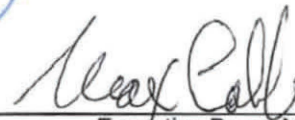
Executive Board Member

Clare Egan



Vice President

Jiri Hamza



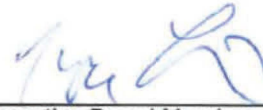
Executive Board Member

Max Cobb



Executive Board Member

Dr. James E. Carrabre



Executive Board Member

Ivor Lehotan



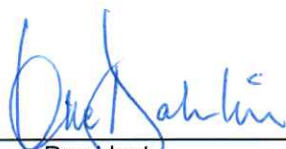
Secretary General

Niklas Carlsson

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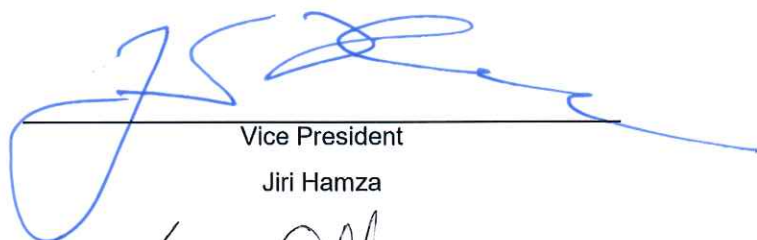
President

Olle Dahlin



Treasurer

Dr. Klaus Leistner



Vice President

Jiri Hamza



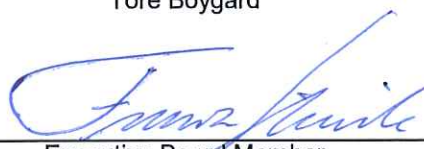
Executive Board Member

Max Cobb



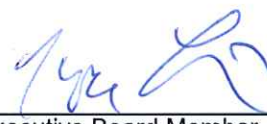
Executive Board Member

Dr. James E. Carrabre



Executive Board Member

Dr. Franz Steinle



Executive Board Member

Ivor Lehotan



Executive Board Member

Clare Egan



Secretary General

Niklas Carlsson

## Internationale Biathlon Union

## Fixed Assets Schedule as per 30.04.2021

Attachment

	Acquisition Costs					Accumulated Depreciation						Book Value	
	01.05.2020	Additions	Transfer	Disposals	30.04.2021	01.05.2020	Depreciation	Impairment Reversal	Disposals	Transfer	30.04.2021	01.05.2020	30.04.2021
<b>Intangible Assets</b>													
Software and Trademark "IBU"	874 958,85	58 658,29	57 345,74	-402 216,00	588 746,88	406 696,51	190 336,89	0,00	-241 329,60	0,00	355 703,80	468 262,34	233 043,08
<b>Total Intangible Assets</b>	<b>874 958,85</b>	<b>58 658,29</b>	<b>57 345,74</b>	<b>-402 216,00</b>	<b>588 746,88</b>	<b>406 696,51</b>	<b>190 336,89</b>	<b>0,00</b>	<b>-241 329,60</b>	<b>0,00</b>	<b>355 703,80</b>	<b>468 262,34</b>	<b>233 043,08</b>
<b>Tangible Assets</b>													
Fitting in third-party building	29 768,15	56 518,38	76 995,40	0,00	163 281,93	0,00	16 013,06	0,00	0,00	0,00	16 013,06	29 768,15	147 268,87
Equipment	344 920,27	162 775,85	0,00	-17 063,39	490 632,73	206 710,10	73 329,92	0,00	-16 769,99	0,00	263 270,03	138 210,17	227 362,70
Vehicles	46 937,06	0,00	0,00	0,00	46 937,06	14 648,11	9 225,41	0,00	0,00	0,00	23 873,52	32 288,95	23 063,54
Low value assets	0,00	2 819,61	0,00	-2 819,61	0,00	0,00	2 819,61	0,00	-2 819,61	0,00	0,00	0,00	0,00
Assets under construction	26 796,70	125 544,44	-134 341,14	0,00	18 000,00	0,00	0,00	0,00	0,00	0,00	0,00	26 796,70	18 000,00
<b>Total Tangible Assets</b>	<b>448 422,18</b>	<b>347 658,28</b>	<b>-57 345,74</b>	<b>-19 883,00</b>	<b>718 851,72</b>	<b>221 358,21</b>	<b>101 388,00</b>	<b>0,00</b>	<b>-19 589,60</b>	<b>0,00</b>	<b>303 156,61</b>	<b>227 063,97</b>	<b>415 695,11</b>
<b>Financial Assets</b>													
Deposit Spängler Bank	45 177 941,17	0,00	0,00	-20 557 195,84	24 620 745,33	32 269,77	161 927,43	0,00	-13 982,69	0,00	180 214,51	45 145 671,40	24 440 530,82
Deposit Spängler Bank - USD	15 117 625,09	6 116 543,84	0,00	-7 909 569,22	13 324 599,71	17 331,68	580 013,62	0,00	-14 108,26	0,00	583 237,04	15 100 293,41	12 741 362,67
Capital Bank	0,00	13 999 302,19	0,00	0,00	13 999 302,19	0,00	5 034,36	0,00	0,00	0,00	5 034,36	0,00	13 994 267,83
<b>Total Financial Assets</b>	<b>60 295 566,26</b>	<b>20 115 846,03</b>	<b>0,00</b>	<b>-28 466 765,06</b>	<b>51 944 647,23</b>	<b>49 601,45</b>	<b>746 975,41</b>	<b>0,00</b>	<b>-28 090,95</b>	<b>0,00</b>	<b>768 485,91</b>	<b>60 245 964,81</b>	<b>51 176 161,32</b>
<b>Total</b>	<b>61 618 947,29</b>	<b>20 522 162,60</b>	<b>0,00</b>	<b>-28 888 864,06</b>	<b>53 252 245,83</b>	<b>677 656,17</b>	<b>1 038 700,30</b>	<b>0,00</b>	<b>-289 010,15</b>	<b>0,00</b>	<b>1 427 346,32</b>	<b>60 941 291,12</b>	<b>51 824 899,51</b>



# General Conditions of Contract for the Public Accounting Professions (AAB 2018)

Recommended for use by the Board of the Chamber of Tax Advisers and Auditors, last recommended in its decision of April 18, 2018

## Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

## SECTION I

### 1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

- preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- examining the tax assessment notices for the tax returns mentioned under a).
- negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
- participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
- participating in appeal procedures with regard to the taxes mentioned under a).

If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

### 2. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

### 3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.



(2) The client acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

#### 4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

#### 5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

#### 6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

#### 7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2<sup>nd</sup> Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.



(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

#### 8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

#### 9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any such assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

#### 10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

#### 11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

#### 12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1<sup>st</sup> and 2<sup>nd</sup> Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

#### 13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

#### 14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

## SECTION II

### 15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSChG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSChG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,

2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or

3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

If the consumer withdraws from the contract according to Section 3 KSChG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,

2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSChG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSChG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice.