



ANNUAL REPORT
2019/2020



OVERVIEW OF FINANCIAL PERFORMANCE INDICATORS

Borussia Dortmund KGaA (HGB)

EUR '000	2019/2020	2018/2019
Sales	442,126	446,030
Operating result (EBITDA)	54,264	114,991
Result from operating activities (EBIT)	-51,283	24,353
Net income/net loss for the year	-49,662	25,844
Cash flows from operating activities	111,654	143,692
Free cash flow	-48,718	4,737

Borussia Dortmund Group (IFRS)

EUR '000	2019/2020	2018/2019*
Revenue	370,196	370,256
Consolidated total operating proceeds	486,884	489,524
Operating result (EBITDA)	62,992	115,983
Result from operating activities (EBIT)	-43,138	23,501
Net profit/net loss for the year	-43,953	17,391
Cash flows from operating activities	-362	28,710
Free cash flow	-51,131	5,201

* Change in prior-year items. See also "Restatements in accordance with IAS 8.42" in the notes to the consolidated financial statements.



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Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

Dear Shareholders,

Within a span of just a few weeks, the novel coronavirus has fundamentally changed the world we live in and life as we know it. Passion and camaraderie have given way to separation and isolation, and instead of eliciting enthusiasm and emotion, football without spectators has lost some of its lustre.

Thus despite, or perhaps precisely because of, the new situation we find ourselves in, we are proud of what we have achieved. In a show of solidarity and discipline, the Bundesliga resumed league play and successfully brought the season to a close. The Bundesliga was the beacon for the rest of Europe as nearly all other major leagues followed suit.

We are delighted with how our team has dealt with this surreal new situation, all the while playing our signature style of football. As league runners-up, we are once again looking forward to leaving our mark in Europe and the UEFA Champions League in the coming season.

Economically, the COVID-19 pandemic has shaken Germany to its core and greatly diminished Borussia Dortmund's revenues – a situation that posed and will continue to pose a major challenge for us. Be that as it may, we have set the course for the future and taken the necessary action to secure Borussia Dortmund's economic stability. However, this also meant that we were unable to report a consolidated net profit for the first time in nine years. That is why, for the first time since 2012, we will recommend that our shareholders not receive a dividend.

The sooner we can once again sell out our stadium, the faster we can return to normal and enjoy the fruits of a successful financial year. However – and we want to be absolutely clear about this –, nothing is more important than the health and safety of each and every one of us!

And so we hope for and eagerly await the day when we are reminded of why we fell in love with football in the first place: pure emotion!

Stay healthy, friends!



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



REPORT OF THE SUPERVISORY BOARD

Borussia Dortmund GmbH & Co. KGaA looks back on an unprecedented, difficult and challenging 2019/2020 financial year.

From mid-March 2020, the Company's income and earnings were shaped by the severe restrictions on public life imposed in response to the COVID-19 pandemic and the massive impact this has had on the economy. Consequently, the consolidated revenue growth of 6.3% generated by the Company in the first nine months was wiped out in the final three months of the 2019/2020 financial year as revenue declined by more than 25% compared to the prior-year quarter, accompanied by a major drop in earnings.

On the pitch, Borussia Dortmund again chalked up a second-place finish in the Bundesliga to once more qualify directly for the group stage of the UEFA Champions League in the 2020/2021 season. Even though the team's DFB Cup exit no doubt came far too early, an extraordinary debt of gratitude is owed to the sporting director and his team as well as coach Lucien Favre and his staff for having brought the 2019/2020 season to a satisfactory conclusion under such difficult conditions.

In economic terms, the COVID-19 pandemic left a mark on the past financial year. In the 2019/2020 financial year (1 July 2019 to 30 June 2020), Borussia Dortmund generated consolidated total operating proceeds (revenue plus gross transfer proceeds generated) of EUR 486.9 million (previous year: EUR 489.5 million). Borussia Dortmund's consolidated revenue remained virtually level at EUR 370.2 million (previous year: EUR 370.3 million). Net transfer income, which comprises gross transfer proceeds less residual carrying amounts and transfer costs, amounted to EUR 40.2 million (previous year: EUR 82.9 million). Consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 63.0 million in the past financial year (previous year: EUR 116.0 million), consolidated earnings before taxes (EBT) amounted to EUR -46.6 million (previous year: EUR 21.8 million), and the consolidated net loss

amounted to EUR 44.0 million (previous year: profit of EUR 17.4 million). In the separate financial statements of Borussia Dortmund GmbH & Co. KGaA prepared in accordance with the German Commercial Code (HGB), the Company reported a net loss for the year/net accumulated losses of EUR 49.7 million. Given the current earnings situation, after eight consecutive years of dividend payments this is the first time there will be no recommendation for the 2020 Annual General Meeting to distribute a dividend.

The management and entire staff of Borussia Dortmund have channelled tremendous efforts into managing the impact of the COVID-19 pandemic and readying the Company for the start of the new 2020/2021 season. The Supervisory Board wishes to thank them all sincerely for their sterling work. We owe it to their efforts that the Company's operations will continue during the season despite the ongoing pandemic, even if to begin with some matches may still have to be played to empty stadiums. Due to the positive results of operations in recent financial years and in the period leading up to the outbreak of the COVID-19 pandemic, the sufficient level of consolidated equity available and the Company's long-term focus, Borussia Dortmund considers itself prepared to handle the losses sustained in financial year 2019/2020.

Supervisory Board activity, meetings

In the 2019/2020 financial year, the Supervisory Board closely monitored the status and development of the Company and the Group, in particular also in light of the COVID-19 pandemic. It exercised all of the rights and duties incumbent upon it by virtue of the law and the Articles of Association.

The Supervisory Board met five times during the 2019/2020 financial year (on 28 August 2019, 9 September 2019, 25 November 2019, 9 March 2020 and 29 June 2020), most recently in virtual form as (video) conference calls due to the COVID-19 pandemic. Attendance at the meetings was as follows in the reporting period:

- Mr Gerd Pieper, Mr Bernd Geske, Dr Reinhold Lunow, Mr Peer Steinbrück and Ms Silke Seidel attended all five meetings (100% attendance rate in each case).
- Following his election to the Supervisory Board on 25 November 2019, Mr Bodo Löttgen attended both of the subsequent meetings (100% attendance rate).
- Mr Bjørn Gulden and Mr Ulrich Leitermann each attended four meetings and sent their apologies in one instance (80% attendance rate).
- Mr Christian Kullmann attended three meetings and sent his apologies for two (60% attendance rate).

All resolutions were adopted in accordance with the provisions of the Articles of Association and the relevant law. All issues are deliberated and all resolutions are passed by the full Supervisory Board; the Supervisory Board has not formed any committees.

During the reporting period, the Supervisory Board received regular, timely and comprehensive oral and written reports from the management within the meaning of § 90 of the German Stock Corporation Act (*Aktiengesetz*, "AktG"). These reports focused on the development of the business, the Company's and the Group's liquidity, earnings and financial position, corporate planning (specifically, financial, investment and personnel planning), the risk position and risk management within the Company and the Group as well as strategic issues, with the impact of the COVID-19 pandemic addressed as a specific focus from March 2020 onwards. Moreover, the Supervisory Board received written reports in the intervals between its meetings. These reports and the subsequent discussion and verification thereof also dealt with the interim financial reports (i.e., the half-yearly financial report and quarterly financial reports). Moreover, the Chairman of the Supervisory Board was in regular contact with the management outside of meetings; he was kept regularly apprised of current developments in the business and major business transactions and advised on strategic and budgetary issues as well as the Company's business development, risk position, risk management (including with respect to the COVID-19 pandemic)

and compliance issues. The management fulfilled its duty to keep the Supervisory Board informed in a complete, continuous and timely manner.

The Supervisory Board advised and monitored the general partner and its managing directors on the management of the Company. The reports of the management and the Supervisory Board's enquiries and deliberations formed a basis for this function. The Supervisory Board considers the management of the Company to be in compliance with the law and in proper order, it deems the internal control system, risk management system and internal audit system to be effective, and attests to the Company's corporate organisation and economic viability. Reports and consultations concerned in particular athletic performance in the 2019/2020 season.

In the reporting period, the Supervisory Board also adopted resolutions on commissioning an external assurance engagement on the Company's separate non-financial Group report for financial year 2019/2020 (§ 111 (2) sentence 4 in conjunction with § 278 (3) AktG) and in connection with the request for proposals relating to the audit of the annual and consolidated financial statements for the 2019/2020 financial year in accordance with the EU Statutory Audit Regulation. In addition, the Supervisory Board reviewed the accounting and financial reporting and the preparations for the Annual General Meeting in the previous year. Part of this review involved ascertaining the independence of the auditor, taking into consideration the additional services rendered by it, prior to resolving to propose it for election. The Supervisory Board's activities also covered the terms of engagement and the fee agreement, the audit focal points and engaging the auditor elected by the previous year's Annual General Meeting.

2019/2020 Annual and Consolidated Financial Statements

The annual financial statements for Borussia Dortmund GmbH & Co. KGaA and the consolidated financial statements as at 30 June 2020 and the management report for the Company and the Group management report (each of which comprising the explanatory report on disclosures made pursuant to

§ 289a (1) and § 315a (1) of the German Commercial Code (*Handelsgesetzbuch*, "HGB") in the version pursuant to Article 83 (1) sentence 2 of the Introductory Act to the German Commercial Code (*Einführungsgesetz zum Handelsgesetzbuch*, "EGHGB") were prepared and submitted in due time by the management and were audited, along with the bookkeeping system by the auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Dortmund ("KPMG"), in accordance with the statutory provisions, and were each issued an unqualified audit opinion. With respect to the risk early warning system, the auditor found that the management had taken the appropriate measures as required under § 91 (2) AktG, particularly with respect to establishing a monitoring system suited towards identifying risks early on which may jeopardise the Company as a going concern.

The annual and consolidated financial statements, the management report for the Company and the Group management report containing the risk report and the corresponding audit reports were submitted to all members of the Supervisory Board in due time. These documents were discussed in detail, explained and reviewed by the Supervisory Board at a meeting on 7 September 2020, with the management and the auditors attending. At that meeting, the auditors reported on and discussed the key findings of their audit, including those relating to the accounting-related internal control and risk management system. The auditor and the management responded to questions raised by the Supervisory Board.

The Supervisory Board concurred with the auditors' findings and, subsequent to its own review work, did not raise any objections. At its meeting on 7 September 2020, the Supervisory Board approved the annual financial statements of Borussia Dortmund GmbH & Co. KGaA as at 30 June 2020 as well as the consolidated financial statements as at 30 June 2020.

Moreover, the Supervisory Board performed its own review of the report on relationships with affiliated companies (dependent company report) for the 2019/2020 financial year prepared by the general

partner pursuant to § 312 AktG. The dependent company report was also audited by the auditor, who issued the following opinion:

"Having conducted a proper audit and assessment, we hereby confirm that

1. the factual information in the report is correct
2. the consideration paid by or to the Company in connection with the legal transactions listed in the report was not inappropriately high."

The auditor's report on the audit of the dependent company report had also been submitted to the Supervisory Board. These documents were discussed and reviewed by the Supervisory Board at the aforementioned meeting, with the auditor and the management in attendance. Upon concluding its review, the Supervisory Board did not raise any objections to the declaration by the general partner at the conclusion of the dependent company report. The Supervisory Board noted with approval the findings of the audit of the dependent company report by the auditor.

The Borussia Dortmund Group is also required to prepare a separate report on the non-financial aspects of its activities for the 2019/2020 financial year. In line with the statutory options and as in the two preceding financial years, the general partner has chosen to prepare a separate non-financial Group report pursuant to § 315b (3) HGB that is not part of the Group management report, and to make this permanently available on the Company's website. The Supervisory board engaged KPMG to provide limited assurance over the separate Group non-financial statement. KPMG issued a limited assurance report based on this engagement. This means that, based on the work it performed and the evidence it obtained, nothing had come to KPMG's attention that caused it to believe that the separate non-financial Group report for the period from 1 July 2019 to 30 June 2020 had not been prepared, in all material respects, in accordance with § 315b and § 315c, in conjunction with § 289c to § 289e HGB. The separate non-financial Group report and the review report prepared by KPMG were presented to the Supervisory Board. After

discussing the topic at its meeting convened to approve the financial statements on 7 September 2020, the Supervisory Board concurred with the findings of KPMG's limited assurance engagement and raised no objections to the separate non-financial Group report based on the findings of its own review.

The Supervisory Board proposes to the Annual General Meeting that the annual financial statements as at 30 June 2020 be adopted. In the annual financial statements (separate financial statements) prepared in accordance with German commercial law (HGB) as at 30 June 2020, the Company reported a net loss for the year/net accumulated losses of EUR 49.7 million. This earnings situation means that the general partner and the Supervisory Board are not able to make a proposal to the Annual General Meeting on the appropriation of net profit, or to recommend that it resolve to distribute a dividend.

Moreover, the Supervisory Board proposes ratifying the actions of the general partner, Borussia Dortmund Geschäftsführungs-GmbH, for the 2019/2020 financial year.

Corporate governance

The Supervisory Board and the management of the general partner also dealt with issues of corporate governance during the reporting period. The members of the Supervisory Board were and are provided with appropriate assistance upon taking up their positions and when participating in further or continuing education. In particular, all members of the Supervisory Board can inspect the Company's athletic, training and other facilities and match operations, and (from September 2020 onwards) are provided with a trade journal (including online content) for educational purposes. The current Declaration of Conformity was adopted at the same time as the resolution on this report and relates to the German Corporate Governance Code in the new version dated 16 December 2019, which has been binding since its publication in the Federal Gazette (*Bundesanzeiger*) on 20 March 2020. The full declaration is permanently available online at <http://aktie.bvb.de/eng>, under

"Corporate Governance". Additional disclosures and explanations in this regard are made in the corporate governance declaration.

Personnel matters

Member and Deputy Chairman of the Supervisory Board Dr Werner Müller passed away on 15 July 2019 at the age of 73. Borussia Dortmund mourns the loss of a major force in its organisation. We will honour Dr Müller's memory.

In its meeting on 28 August 2019, the Supervisory Board appointed Mr Christian Kullmann to succeed him as Deputy Chairman.

The Annual General Meeting on 25 November 2019 elected Mr Bodo Löttgen as a new member of the Supervisory Board to replace the late Dr Müller for the remainder of his term of office (until the end of the 2020 Annual General Meeting).

The Supervisory Board would like to express its gratitude to the management, the Works Council and all employees for their enduring commitment and hard work, particularly when faced with the massive challenges posed by the COVID-19 pandemic.

The Supervisory Board also wishes to thank Borussia Dortmund's business partners, shareholders and fans for their trust.

Dortmund, dated 7 September 2020

The Supervisory Board



Gerd Pieper
Chairman

EXECUTIVE BODIES

BV. BORUSSIA 09 e.V. DORTMUND

Chairman

Dr. Reinhard Rauball	President
Gerd Pieper	Vice President
Dr. Reinhold Lunow	Treasurer

BORUSSIA DORTMUND GmbH & Co. KGaA

Supervisory Board

Gerd Pieper	Chairman	
Retired; former Managing Director of Stadt-Parfümerie Pieper GmbH, Herne		
Peer Steinbrück		
Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main		
Bernd Geske		
Managing partner of Bernd Geske Lean Communication, Meerbusch		
Christian Kullmann	Deputy Chairman	(since 28 August 2019)
Chairman of the Executive Board of Evonik Industries AG, Essen		
Dr. Werner Müller	Deputy Chairman	(until 15 July 2019)
German Finance Minister (ret.) (passed away on 15 July 2019)		
Ulrich Leitermann		
Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group, Dortmund		
Bjørn Gulden		
Chief Executive Officer of PUMA SE, Herzogenaurach		
Dr. Reinhold Lunow		
Medical Director of Praxisklinik Bornheim, Bornheim		
Silke Seidel		
Senior Executive at Dortmunder Stadtwerke Aktiengesellschaft and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund		
Bodo Löttgen		(since 25 November 2019)
Chair of the CDU parliamentary group in the state parliament of North Rhine-Westphalia, detective chief inspector (Kriminalhauptkommissar) (ret.), public administration graduate		

BORUSSIA DORTMUND GESCHÄFTSFÜHRUNGS-GmbH

Management

Hans-Joachim Watzke	Managing Director (Chairman)
Thomas Treß	Managing Director
Carsten Cramer	Managing Director

CORPORATE STRUCTURE

BORUSSIA DORTMUND GmbH & Co. KGaA

100,00%	BVB Stadionmanagement GmbH
100,00%	BVB Merchandising GmbH
100,00%	BVB Event & Catering GmbH
100,00%	besttravel dortmund GmbH
100,00%	BVB Asia Pacific Pte. Ltd.
100,00%	BVB Fußballakademie GmbH
33,33%	Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH

THE SHARES of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

SHARE PRICE PERFORMANCE IN FINANCIAL YEAR 2019/2020

During the reporting period of the 2019/2020 financial year (1 July 2019 to 30 June 2020), the performance of BVB shares was at first influenced by positive business and sport-related announcements by the Company before being impacted by the effects of the SARS-CoV-2 (COVID-19) pandemic (unless indicated otherwise, the following data is based on the closing price of shares in XETRA trading in BVB shares; where necessary, figures have been rounded up to the nearest hundredth).

The shares in Borussia Dortmund GmbH & Co. KGaA kicked off the new 2019/2020 financial year at EUR 8.61 on 2 July 2019 (previous year: EUR 5.36) and reached the EUR 9.10 mark at the end of July 2019. Although this was still during the Bundesliga's summer break, one reason for the rising share price was the successful preseason preparations (including the club's 2019 US tour, which was a sporting and financial success). The share price continued to rise in August 2019 on the heels of the euphoria at the beginning of the season, the team's win against FC Bayern Munich in the DFL Super Cup and positive financial news. On 1 August 2019, BVB shares were listed at EUR 9.12 and on 6 August 2019 at EUR 9.38. The team's win in the first round of the DFB Cup was the start of an upswing. The shares traded at EUR 9.68 on 9 August 2019 and at EUR 9.76 on 12 August 2019. However, this was followed by dividend distributions. Shares in Borussia Dortmund then traded at EUR 9.40 on 13 August 2019. On this date the Company published the preliminary figures for financial year 2018/2019 (see ad hoc disclosure from the same date), reporting record consolidated revenue (adjusted for transfers) and an eight-figure net profit for the year. The consolidated net profit after taxes amounted to EUR 17.4 million in the financial year ended. The capital market took a positive view of this report and the announcement of an intended dividend payment. Shares in Borussia Dortmund traded at EUR 9.49 on 14 August 2019, at EUR 9.57 on 19 August 2019 following the team's opening match win in the Bundesliga, and at EUR 9.80 on 30 August

2019. The team's performances on the pitch were not always convincing and this led to a volatile share price in the month of September 2019. Shares traded at EUR 9.31 on 2 September 2019 and EUR 9.51 on 16 September 2019, before reaching their high for the reporting period of EUR 9.93 on 18 September 2019. However, two consecutive draws in the Bundesliga caused the share price to slide again. Borussia Dortmund GmbH & Co. KGaA shares traded at EUR 9.80 on 20 September 2019, at EUR 9.48 on 23 September 2019, EUR 9.43 on 27 September 2019 and at EUR 9.23 on 30 September 2019.

Shares in Borussia Dortmund then traded at EUR 9.34 on 1 October 2019. Thereafter the share price performance was influenced by the team's inconsistent performances on the pitch. The shares traded at EUR 9.57 on 4 October 2019 and EUR 9.41 on 17 October 2019. The share price fell to EUR 8.63 on 23 October 2019 and EUR 8.53 on 30 October 2019 as certain capital market participants quite clearly believed that it was unlikely the club would advance to the round of 16 and thus remain in the UEFA Champions League over the winter break following the team's loss to Inter Milan. On 8 November 2019, Borussia Dortmund GmbH & Co. KGaA released the preliminary first quarter figures for financial year 2019/2020 (see ad hoc disclosure from the same date), highlighting positive economic developments such as the significant increases in revenue, including revenue figures adjusted for transfers. On this date, shares in Borussia Dortmund GmbH & Co. KGaA traded at EUR 8.52; however, a resounding defeat in Munich on the following day then saw the share price decline. Shares in Borussia Dortmund GmbH & Co. KGaA traded at EUR 8.38 on 11 November 2019, EUR 8.18 on 14 November 2019 and EUR 8.38 on 25 November 2019, the day of the Annual General Meeting (previous year: EUR 8.66). On that same day, the Annual General Meeting resolved a dividend distribution of EUR 0.06 per share. The shares traded at EUR 8.48 on the following day (26 November 2019). The share price initially reco-

vered in December 2019 as Borussia Dortmund's results on the pitch improved and the team remained in the running across all competitions going into the winter break. However, the share price then dropped slightly, which it normally does after a dividend is paid out at the end of the year. Shares traded at EUR 8.45 on 2 December 2019, EUR 9.04 on 11 December 2019 after the team advanced to the round of 16 of the UEFA Champions League, EUR 8.69 on 12 December 2019, EUR 8.48 on 23 December 2019 and EUR 8.49 on 27 December 2019. The 2019 calendar year ended with BVB shares trading at EUR 8.80 on 30 December 2019 (previous year: EUR 7.97).

The shares of Borussia Dortmund KGaA kicked off the new 2020 calendar year at EUR 8.69 on 3 January 2020. BVB started off the second half of the season on 18 January 2020 with a win and key goals from its winter signing, Erling Braut Haaland, giving the shares of Borussia Dortmund a boost that was reinforced in the near term as additional wins followed. The shares traded at EUR 8.63 on 17 January 2020, EUR 8.97 on 20 January 2020 and EUR 9.16 on 24 January 2020. The team then lost two matches, causing the share price to dip. Borussia Dortmund was eliminated from the DFB Cup after losing to SV Werder Bremen on the evening of 4 February 2020. Shares in Borussia Dortmund then lost considerable ground, trading at EUR 8.68 on 5 February 2020. On 8 February 2020, Borussia Dortmund lost its Bundesliga match-up against Bayer 04 Leverkusen. Shares in Borussia Dortmund then traded at EUR 8.65 on 10 February 2020. The share price subsequently recovered following two consecutive wins. On the evening of 18 February 2020, BVB won the first leg of its UEFA Champions League round of 16 tie against Paris Saint-Germain. On the following day, 19 February 2020, BVB shares traded at EUR 8.99 and at EUR 9.04 on 20 February 2020. On 21 February 2020, the Company published the preliminary semi-annual figures (see ad hoc disclosure from the same date), announcing that it had gene-

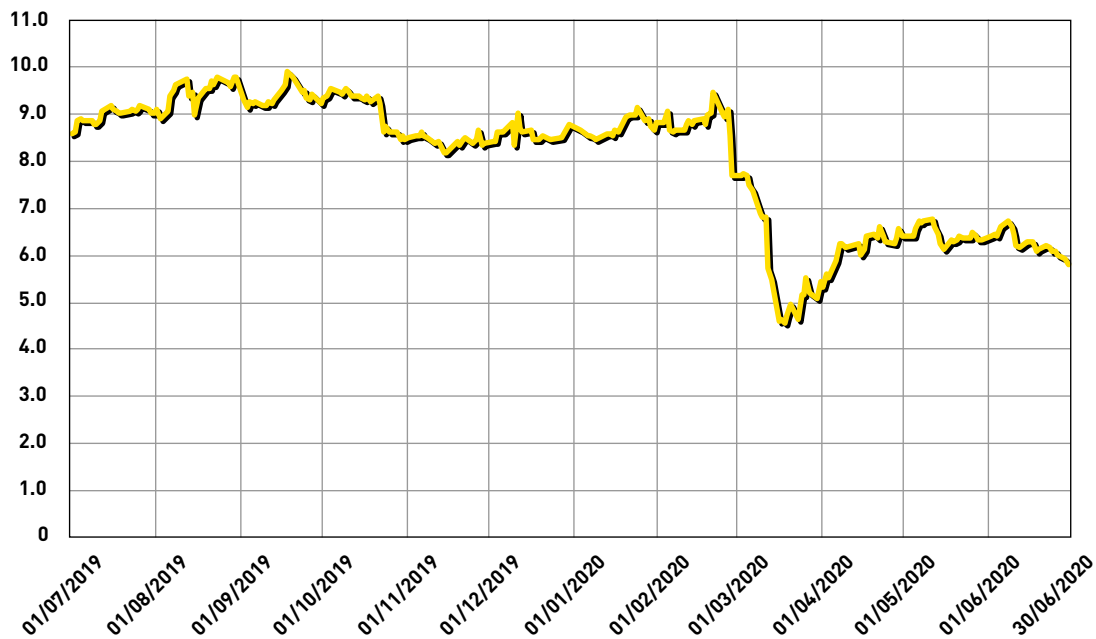
rated consolidated total operating proceeds of EUR 297.4 million (first half of the previous year: EUR 256.0 million), increased consolidated revenue to EUR 236.6 million (first half of the previous year: EUR 213.8 million) and generated net profit of EUR 3.0 million for the first half of the year (first half of the previous year: EUR 17.6 million). The market responded positively to the semi-annual figures, and on the same trading day the shares closed at EUR 9.49. Thereafter, the Company and the shares of Borussia Dortmund GmbH were unexpectedly and adversely impacted by the initial effects of the global COVID-19 pandemic, which continued beyond the reporting period. This downward trend mirrored the negative developments on the overall market. The shares traded at EUR 9.11 on 26 February 2020, EUR 8.54 on 27 February 2020 and EUR 7.69 on 28 February 2020. The shares traded at EUR 6.82 on 11 March 2020. After the team was eliminated from the UEFA Champions League following its loss in the second leg of the round of 16 tie that evening (BVB's first match played behind closed doors on account of the COVID-19 pandemic), shares in Borussia Dortmund traded at EUR 5.71 on the following day, 12 March 2020. On 16 March 2020, the Members' Meeting of DFL e.V. took the decision to suspend match operations on account of the COVID-19 pandemic. On the same day, the Company withdrew its profit forecast and was unable to issue a new forecast on account of the existing uncertainties. However, at the same time the Company stressed that its business operations for the current 2019/2020 financial year were assured and that there was no existential threat to the Company (see ad hoc disclosure from the same date). On this trading day, shares in Borussia Dortmund then closed at EUR 4.61. Thereafter, the share price recovered slightly and stabilised as a modicum of confidence returned to the market by the end of the reporting period. BVB shares traded at EUR 4.56 on 18 March 2020, EUR 4.72 on 19 March 2020, EUR 4.95 on 20 March 2020, EUR 5.16 on 25 March 2020, and EUR 5.44 on 31 March

2020. On this day, the DFL announced that it would extend the suspension of match operations until 30 April 2020 but confirmed the intention of all 36 clubs of the first and second Bundesliga divisions to finish the 2019/2020 season and, if necessary, to resume match operations behind closed doors – as soon as legally possible and justifiable from a health standpoint.

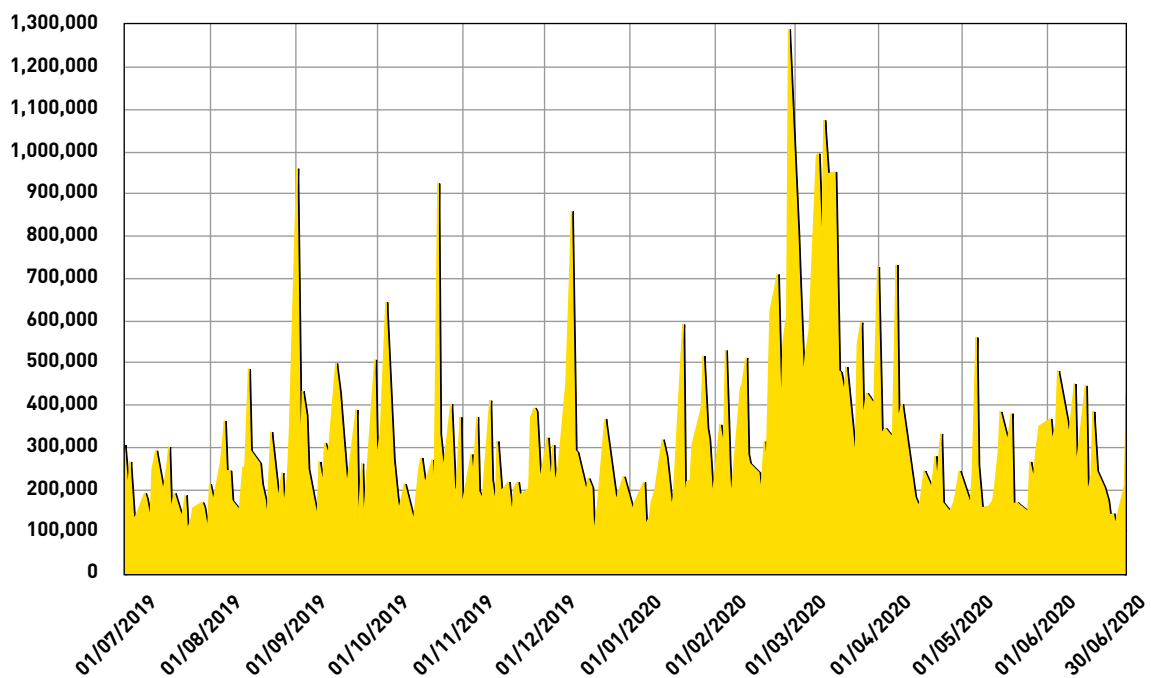
The COVID-19 pandemic then dominated the rest of the financial year, as BVB, the DFL and the 36 professional clubs took every effort to resume special match operations and play out the remainder of the 2019/2020 season behind closed doors in an attempt to avoid incurring even greater economic harm, in particular due to the partial loss of TV income that could have materialised. In its day-to-day operations from there on out, the Company had to comply with new statutory requirements such as North Rhine-Westphalia's Corona Protection Regulation (Coronaschutzverordnung), which was updated on a rolling basis, and the various hygiene concepts formulated by the DFL for training sessions and match operations. The share price in April 2020 was marked by the uncertainty as to whether and how the season could be resumed, and was initially volatile as a result. BVB shares traded at EUR 5.32 on 1 April 2019, EUR 5.61 on 2 April 2020, EUR 6.25 on 8 April 2020, EUR 5.99 on 15 April 2020, and EUR 6.42 on 17 April 2020. On 23 April 2020, the DFL announced that it and all 36 professional clubs were ready to resume the season (see corporate news from the same date). This was preceded by a complex process of political deliberation and decision-making. Shares traded at EUR 6.43 on 23 April 2020, EUR 6.25 on 27 April 2020, the day on which the DFL granted the Company the licence for the 2020/2021 season without any requirements (see corporate news from the same date), and EUR 6.58 on 29 April 2020. On 7 May 2020, the DFL announced that the Bundesliga would resume special match operations behind closed doors on 16 May 2020 (see

corporate news from the same date). The share price then briefly recovered on the heels of this announcement and the quarterly results, which were positive despite the COVID-19 pandemic (see ad hoc disclosure dated 8 May 2020). The shares traded at EUR 6.74 on 6 May 2020, EUR 6.75 on 8 May 2020 and EUR 6.79 on 11 May 2020. Thereafter, the team's performances on the pitch once again increasingly influenced the share price. Prior to the restart, BVB still had its sights on its theoretical chances of winning the Bundesliga. However, the objective was to at least finish the Bundesliga season in a qualifying spot for the group stage of the UEFA Champions League in the 2020/2021 season. Unfortunately, the team failed to achieve the first objective after narrowly losing to FC Bayern Munich on 26 May 2020. As expected, however, it did accomplish the latter objective by securing its status as runners-up on the second-to-last match day on 20 June 2020. The share price performance from mid-May until the end of June 2020 reflected this development. BVB shares traded at EUR 6.34 on 18 May 2020, EUR 6.40 on 21 May 2020, EUR 6.42 on 27 May 2020, EUR 6.72 on 8 June 2020, EUR 6.46 on 10 June 2020, EUR 6.15 on 12 June 2020, EUR 6.31 on 17 June 2020, EUR 6.21 on 22 June 2020, EUR 6.10 on 24 June 2020 and EUR 6.00 on 26 June 2020. After the Bundesliga season was completed under the special conditions governing the special match operations, the Company on 29 June 2020 published an outlook of the key earnings figures for the 2019/2020 financial year on the basis of the information available at that time and announced, among other things, that Borussia Dortmund expected to report consolidated EBITDA of approximately EUR 62 million and a consolidated net loss of approximately EUR 45 million for the overall 2019/2020 financial year (see ad-hoc disclosure from the same date). Shares in Borussia Dortmund traded at EUR 5.92 on the same date. The reporting period ended with the shares trading at EUR 5.78 on 30 June 2020 (previous year: EUR 8.28).

Share price performance (in EUR)



Revenue (Shares)



SHARE CAPITAL AND SHAREHOLDER STRUCTURE

Borussia Dortmund GmbH & Co. KGaA's share capital amounts to EUR 92,000,000 divided into the same number of no-par value shares. Based on the voting rights notifications we have received, the shareholder structure of Borussia Dortmund GmbH & Co. KGaA was as follows as at 30 June 2020:

- Evonik Industries AG: 9.83%
- Bernd Geske: 9.35%
- Ballspielverein Borussia 09 e.V. Dortmund: 5.53%
- SIGNAL IDUNA: 5.43%
- Ralph Dommermuth Beteiligungen GmbH: 5.004%
- PUMA SE: 5.00%
- Free float: 59.86%

SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES

As at 30 June 2020, one member of management held 7,045 no-par value shares in the Company. As at the same date, the members of the Supervisory Board held a total of 8,602,009 no-par value shares.

Members of management and the Supervisory Board hold a total of 8,609,054 no-par value shares, which corresponds to more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

INVESTOR RELATIONS

The objective of our Company's Investor Relations organisation is to obtain an appropriate valuation of Borussia Dortmund shares on the capital market. This is achieved by pursuing ongoing and open communication with all market participants. Investor Relations forms an ideal interface between institutional investors, financial analysts and private investors. The Company seeks to justify the confidence placed in it by investors and the public through immediate and transparent communication of its financial results, business transactions, strategy, and risks and opportunities. We are committed to communications principles such as openness, continuity, equal treatment and credibility, which make it possible to develop a long-term rapport based on trust with market participants and to ensure a true and fair view of the Company.

We therefore use online communication as our main form of communications, as this offers the best basis for providing all interested parties with equal access to up-to-date information. Because this information is highly pertinent, Borussia Dortmund maintains an investor relations webpage, "BVB Share" which is available online at www.bvb.de/aktie and <http://aktie.bvb.de/eng>. All annual and interim financial reports are available for download at this site. Mandatory disclosures and announcements under capital market law, such as ad hoc disclosures, corporate news, and manager transactions (formerly directors' dealings) are published here in a timely manner. At the same time, our service provider, EQS Group AG (DGAP), Munich, ensures that these notices are distributed throughout Europe. Further detailed information,

such as investor presentations and in-depth information on implementing the recommendations of the German Corporate Governance Code, is provided on our website. The information is available in German and, for the most part, in English as well.

Another objective of ours in financial year 2019/2020 was to continue to foster communication with the capital markets. The Annual Press Conference on the preliminary figures of the 2018/2019 financial year was held in Dortmund on 13 August 2019. The Company also held an analyst conference on the same day in Frankfurt am Main. The Company also held group and one-on-one meetings in Dortmund and/or conference calls with capital market representatives during the reporting period as well as roadshows from 4 to 6 March 2020 in New York, USA (organised via Edison) and – due to the COVID-19 pandemic – virtual roadshows on 20 May 2020 (organised via Berenberg) and on 8/9 June 2020 (organised via Bankhaus Lampe). In the fourth quarter of the financial year, the Company increasingly held one-on-one conference calls with investors on account of the pandemic.

The Company is also pleased to be included in the research coverage of the following firms:

- Frankfurt Main Research AG, Frankfurt am Main
Most recent research update: 11 May 2020,
Recommendation: "Buy" (previously: "Buy")
- Bankhaus Lampe KG, Düsseldorf
Most recent research update: 30 June 2020,
Recommendation: "Buy" (previously: "Buy")
- Joh. Berenberg, Gossler & Co. KG ("Berenberg"),
Hamburg
Most recent research update: 29 June 2020,
Recommendation: "Buy" (previously: "Buy")
- Edison Research Investment Ltd., London, UK
Most recent research update: 26 May 2020,
Recommendation: "n/a"
- GSC Research GmbH, Düsseldorf
Most recent research update: 24 March 2020,
Recommendation: "n/a" (previously: "Hold")

Individual studies and research updates that our Company is entitled to publish are available online at www.bvb.de/aktie and <http://aktie.bvb.de/eng> under "BVB Share", sub-heading "Capital Market View".

ODDO SEYDLER BANK AG, Frankfurt am Main, was our Company's designated sponsor during the reporting period.

CORPORATE GOVERNANCE REPORTING

Our Company believes it is essential for corporate governance to be clearly structured and effective. Corporate governance embodies a responsible and transparent system of checks and balances designed to ensure a continued focus on sustainable value creation. Efficient cooperation between the management and the Supervisory Board, the preservation of

shareholder interests, and open and transparent corporate communications are vital aspects of sound corporate governance. This is the guiding principle for the Company's Supervisory Board and for the management of Borussia Dortmund Geschäftsführungs-GmbH in its capacity as the general partner of Borussia Dortmund GmbH & Co. KGaA.

GENERAL INFORMATION ON CORPORATE GOVERNANCE AT BORUSSIA DORTMUND GmbH & Co. KGaA

German stock corporation law sets out the statutory framework of corporate governance. Pursuant to § 161 AktG, the executive board and the supervisory board of a listed company are required to submit each year a declaration as to whether and to what extent that company has complied (retrospective) or will comply (forward-looking) with the recommendations of the "Government Commission of the German Corporate Governance Code" contained in the German Corporate Governance Code as published in the official section of the electronic Federal Gazette. Although companies may opt to deviate from the Code, they are then obligated to disclose this on an annual basis, providing an explanation for their non-compliance ("comply or explain"). This option exists to ensure that companies are able to meet industry- or company-specific requirements. A well-founded deviation from a recommendation of the Code may be in the interest of sound corporate governance.

The Code is generally reviewed once annually and amended as required. It reflects basic statutory guidelines concerning the management and supervision of listed German companies as well as internationally and nationally recognised standards for sound and responsible corporate governance. In addition to formulating best practices for management, the Code is intended to ensure that corporate governance in Germany is transparent and open to scrutiny and to promote confidence in the management and supervision of listed German companies amongst international and national investors, customers, employees and the public.

A large number of the Code's recommendations (expressed using the word "shall") are intended exclusively for German stock corporations (*Aktiengesellschaft*, "AG"), meaning that they are either not applicable at all or must at best be applied *mutatis mutandis* to partnerships limited by shares (*Kommanditgesellschaft auf Aktien*, "KGaA"), i.e., our Company as well.

A KGaA is a hybrid corporate form combining elements of a German stock corporation and a limited partnership (*Kommanditgesellschaft*). It is a separate legal entity whose share capital is divided into shares which are held by at least one shareholder (the general partner) that has unlimited liability against creditors of the Company and limited liability shareholders (*Kommanditaktionäre*) that are not personally liable for the debts of the company (§ 278 (1) AktG).

The key differences between a KGaA and a German stock corporation can be characterised as follows:

- Borussia Dortmund GmbH & Co. KGaA does not have an executive board. Instead, the general partner, Borussia Dortmund Geschäftsführungs-GmbH, is solely responsible for its management and representation. This German limited liability company (*Gesellschaft mit beschränkter Haftung*, "GmbH") is in turn represented by one or more managing directors; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.

- The rights and duties of the KGaA's Supervisory Board, which is appointed by the Annual General Meeting, are limited. Specifically, it has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements. Nor is the Supervisory Board authorised to adopt internal rules of procedure or a list of transactions requiring its consent on behalf of the general partner. Rather, such rights and duties are vested in the governing bodies of Borussia Dortmund Geschäftsführungs-GmbH, namely its Advisory Board and the Executive Committee created by the Advisory Board.
- Additional features specific to the KGaA's Annual General Meeting are set forth primarily in §§ 285 and 286 (1) AktG and in the Company's Articles of Association.

As a consequence, a Declaration of Conformity in accordance with § 161 AktG must be submitted by the management of the general partner and the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA, taking into account the specific characteristics of the KGaA's legal form and the provisions of the Articles of Association.

In our assessment, the following recommendations of the Code are not applicable (including *mutatis mutandis*) to the specific characteristics of the KGaA legal form and the provisions of the Company's Articles of Association:

- The Code made and makes various recommendations to the Supervisory Board in respect of executive board remuneration, in particular in G.4 of the 2020 Code and section 4.2.2 (2) sentence 3 of the 2017 Code, G.8 of the 2020 Code and section 4.2.3 (2) sentences 3, 4 and 6 (first alternative) and (2) sentence 8 of the 2017 Code, and G.13 of the 2020 Code and section 4.2.3 (4) sentence 1 of the 2017 Code. The 2020 Code now makes a large number of other recommendations to the

Supervisory Board in respect of the remuneration system for executive board members and/or the structure of their individual remuneration. As follows from the justification to the 2020 Code given by the Government Commission, all of these recommendations are based, either in substance or method, on the statutory provisions for a German stock corporation (*Aktiengesellschaft*) under § 87 (1) of the German Stock Corporation Act (*Aktiengesetz*, "AktG") and/or § 87a AktG, which entered into force on 1 January 2020. These statutory provisions are not applicable to our Company – either directly or *mutatis mutandis* – on account of its legal form, which we believe was a conscious decision on the part of the legislator. As such, the new recommendations G.1 to G.3, G.5 to G.7, G.9 to G.13, G.15 and G.16 introduced in this connection in the 2020 Code are likewise not applicable to our Company. By contrast, Article 7 of the Company's Articles of Association stipulates that the general partner has a right to reimbursement of the staff and materials expenses incurred by it in the course of managing the Company, plus a commission amounting to 3% of the net profit for the year generated by the Company. Otherwise, the fixed and variable remuneration for the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH was and is resolved by the Executive Committee formed by that company, which also reviews the Managing Directors' employment agreements for appropriateness and compliance with standard market practice when entering into or extending them. For practical reasons, the recommendations of the Code with respect to the remuneration system for executive board members and/or executive board pay, and on the role of the Supervisory Board, which in some respects are considered to be over-regulation, have not been and will not be applied on a voluntary basis by the Executive Committee. For the avoidance of doubt, please also note that the employment agreements with the Managing Directors currently in office have terms running until 30 June 2022 (in the case of

Managing Directors Thomas Treß and Carsten Cramer) and 31 December 2022 (in the case of CEO Hans-Joachim Watzke), meaning that a critical examination in relation to the new recommendations is neither pending nor appears necessary in the near future.

- The recommendations in section 4.2.5 (3) sentences 1 and 2 of the 2017 Code, i.e., that specific detailed disclosures on each member of the executive board be included in the remuneration report and that the model tables provided as appendices to the 2017 Code be used to disclose that information, is based on § 285 no. 9 (a) sentences 5 *et seq.* HGB (in the version applicable to annual and consolidated financial statements and (group) management reports for financial years beginning before 1 January 2021, in accordance with Article 83 (1) sentence 2 EGHGB). Since the statutory provision only applies to listed stock corporations, the recommendations are thus not applicable to our Company, which on account of its legal form does not have an executive board. We nevertheless disclose the remuneration of the individual Managing Directors of our Company's general partner, Borussia Dortmund Geschäftsführungs-GmbH, on a voluntary basis in the notes to the annual and consolidated financial statements.

Despite the specific characteristics of our Company's legal form, however, the following recommendations of the Code are applied *mutatis mutandis* or in modified form, which we do not consider a deviation from the Code:

- Long-term succession planning within the meaning of recommendations B.1 and B.2, first half-sentence of the 2020 Code and section 5.1.2 (1) sentences 2 and 4 of the 2017 Code is the responsibility of the Managing Directors of the Company and – given that the Supervisory Board has no authority to appoint or dismiss personnel – the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH. This planning takes place in regular dialogue between the management

and the Executive Committee, which determine profiles of skills and expertise for management personnel based on the corporate strategy and internal corporate structure and management, and monitor relevant internal and external candidates. In this respect, scouting is something we use not just to find talented new footballers, but also in our human resource planning. Efforts are also ongoing within the Company to nurture up-and-coming management talent, for example by means of further education. The Executive Committee also acts to ensure sufficient diversity when staffing the management.

- In the case of the first-time appointment of Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH, the Executive Committee follows the new recommendation B.3 of the 2020 Code, whereby executive board members at stock corporations should be appointed for a maximum of three years.
- We consider the President of the Executive Committee, Dr Reinhard Rauball, who addresses the remuneration of the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH, to be independent within the meaning of the new recommendation C.10 of the 2020 Code.
- In application *mutatis mutandis* of the new recommendation D.7 of the 2020 Code, a time slot is reserved at the end of Supervisory Board meetings for discussions without the Managing Directors of the general partner.
- Given that the Supervisory Board has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements, not it but rather the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH is responsible for consenting to sideline activities of the Managing Directors of the general partner within the meaning of recommendation E.3 of the 2020 Code and section 4.3.4 of the 2017 Code.

- Material transactions between the general partner and certain related parties on the one hand, and the Company on the other within the meaning of §§ 89, 112 in conjunction with §§ 278 (3), 283 no. 5 AktG (e.g., the granting of loans) and – since 1 January 2020 – in accordance with § 111b AktG (related party transactions) require the consent of the Supervisory Board. This ensured compliance with the recommendation of section 4.3.3 sentence 4 of the 2017 Code, which was not included in the 2020 Code.

The Declaration of Conformity must be made permanently available to shareholders on the Company's website. It is published on the investor relations website, <http://aktie.bvb.de/eng>, under "Corporate Governance". In addition, the Declaration of Conformity submitted in September 2020, as reproduced below, is an integral part of this corporate governance declaration.

While the Company's corporate governance report presented here is published as part of the corporate governance declaration (on the Company's website <http://aktie.bvb.de/eng> under "Corporate Governance" / "Corporate governance declaration"), the corporate governance reports for the 2017/2018 and previous financial years were published in the annual reports for the respective financial years. These are available on our investor relations website <http://aktie.bvb.de/eng>, under "Publications".

Transparency

The Company provides the limited liability shareholders, shareholders' associations, financial analysts and the general public regular notifications regarding the position of the Company and on material business developments.

In particular, we publish ad hoc disclosures and corporate news on our website, as well as voting rights notifications and managers' transactions notifications submitted to us, information on the shareholder structure, the current version of the Articles of Association and the financial calendar.

The financial calendar includes the dates for key Company events, and can be accessed online at <http://aktie.bvb.de/eng>, under "Financial Calendar".

As in previous years, the Annual Press Conference on the "preliminary" figures of the previous financial year will be streamed live so that the general public may watch the conference online in real time.

The previous year's Annual General Meeting was convened in due and proper form and held on 25 November 2019. In compliance with the German Corporate Governance Code, the reports and documents required by law were made available for inspection; these were given to the limited liability shareholders upon request and were published on the Company's website together with the agenda. A proposed resolution to create new authorised capital involving the disapplication of pre-emptive subscription rights was supported by just 70.33% of the share capital represented, thus failing to achieve the requisite three-quarter majority. The resolutions on all other agenda items were adopted with between 76.60% to 99.98% of votes cast.

The next Annual General Meeting of Borussia Dortmund GmbH & Co. KGaA will take place on Thursday, 19 November 2020. Given the COVID-19 pandemic, this is expected to be held as a virtual Annual General Meeting without the physical presence of the limited liability shareholders or their proxies.

The half-yearly and other interim financial reports shall be published at the intervals recommended in the Code. The Company will provide further details via ad hoc announcements. The consolidated financial statements, the Group management report and the interim financial reports are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the member states of the EU. The annual financial statements and management report of Borussia Dortmund GmbH & Co. KGaA were and will continue to be prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch*, "HGB") and the German Stock Corporation Act (*Aktiengesetz*, "AktG").

Our Company stands for more than "just" football and takes its corporate social responsibility into account. A first, voluntary sustainability report covered the 2016/2017 financial year, i.e. the period from 1 July 2016 to 30 June 2017, and was based on the Global Reporting Initiative (GRI) Standards (Core option). The sustainability reports for subsequent financial years (i.e. from the 2017/2018 financial year onwards) also contain a separate non-financial Group report in accordance with § 315b (3) HGB. The sustainability reports are published online at aktie.bvb.de/eng under "Corporate Governance", sub-heading "Sustainability Report".

Moreover, we publish analysts' recommendations and research studies on our website <http://aktie.bvb.de/eng>, under "BVB Share", sub-heading "Capital Market View", in order to facilitate communication with market participants.

Customers, fans and the public alike can also find additional information on the Company – including e.g. CVs and overviews of the key duties of Supervisory Board members as well as further information on the managing directors of the general partner – at <http://aktie.bvb.de/eng>.

A considerable number of publications on our website have been and will continue to be made available in English.

The Notes to the financial statements and the management report contain disclosures on the remuneration of the general partner and the members of the Supervisory Board, and the Annual Report contains disclosures on the ownership of Company shares by the general partner and members of its management and by the members of the Supervisory Board. Due to the specific characteristics of the KGaA legal form, there is currently no obligation to disclose the remuneration of individual Managing Directors of the general partner of the Company, Borussia Dortmund Geschäftsführungs-GmbH, as would normally be the case for the members of the executive boards of listed German stock corporations. Nonetheless, as referred to above we have presented the remuneration of individual Managing Directors in the notes to the annual and consolidated financial statements on a voluntary basis.

Dortmund, 7 September 2020

On behalf of the Supervisory Board



Gerd Pieper
Chairman


On behalf of Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (CEO)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

DECLARATION OF CONFORMITY

by the management and by the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA in accordance with § 161 AktG dated 7 September 2020

In accordance with § 161 of the German Stock Corporation Act (*Aktiengesetz*, "AktG"), the management of the general partner (Borussia Dortmund Geschäftsführungs-GmbH) and the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA declare that since the last Declaration of Conformity was submitted on 9 September 2019, Borussia Dortmund GmbH & Co. KGaA complied with the recommendations of the German Corporate Governance Code (the "Code") in the version dated 7 February 2017 (published in the Federal Gazette (*Bundesanzeiger*) on 24 April 2017 and amended on 19 May 2017) (the "2017 Code") until the publication of the new version of the Code in the Federal Gazette on 20 March 2020, as well as the recommendations of the Code in the version dated 16 December 2019 (the "2020 Code") from the date of its publication in the Federal Gazette on 20 March 2020, and that it will comply with the recommendations of the 2020 Code, with the exception of the following deviations (please note that numerous recommendations of the Code, in particular those pertaining to the remuneration system for executive board members and/or executive board pay, are not applicable due to the specific characteristics of our Company's legal form as a partnership limited by shares (*Kommanditgesellschaft auf Aktien*, "KGaA"); the respective disclosures and explanations are given in the corporate governance declaration):

DEVIATIONS FROM THE 2017 CODE

Re section 3.8 (3) of the 2017 Code: The D&O policy does not include a deductible because, to our understanding, the negotiation of a deductible will neither influence the behaviour of the members

of the executive bodies nor would it provide appropriate motivation.

Re section 4.1.3 sentence 3 first half-sentence of the 2017 Code: In accordance with this recommendation, appropriate measures must be in place that allow employees to report any violations of the law within the Company, without fear of retaliation. This is generally known as a whistleblower system and guarantees that employees within the Group can anonymously, or in a manner that safeguards the confidentiality of their identity, report certain violations (e.g., an anonymous electronic communications platform). No such whistleblower system was put in place within our Company as there were other opportunities deemed appropriate and reasonable for employees to report – confidentially, if necessary – any violations of the law or internal Company guidelines. Apart from the fact that the Company was not legally obligated to establish a whistleblower system, the Company also considered in particular the potential drawbacks of a whistleblower system, namely the risk that such system could be misused and create an atmosphere of mistrust that adversely affects the corporate culture and employee morale.

Re section 4.2.1 sentence 2 of the 2017 Code: The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements; this is incumbent upon the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH. Its Managing Directors are Hans-Joachim Watzke (since February 2005, CEO since January 2006), Thomas

Treß (since January 2006) and Carsten Cramer (since March 2018). The Managing Directors' areas of responsibility have been sufficiently defined in their service agreements; moreover, the Managing Directors exercise the authority granted to them by law and the Articles of Association jointly and in close cooperation with each other. Therefore, the relevant executive bodies of Borussia Dortmund Geschäftsführungs-GmbH considered it unnecessary to stipulate additional rules of procedure for the management.

Re section 4.2.3 (6) of the 2017 Code: The Chairman of the Supervisory Board did not report to the Annual General Meeting on the fundamentals of the remuneration system or changes thereto because – as mentioned above – the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements.

Re section 5.1.2 (2) sentence 2 of the 2017 Code: The Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH decided on the reappointment of its Managing Directors, including, even in the absence of special circumstances, prior to the end of one year before the end of the existing term of appointment. Given the specific features of the KGaA legal form and due to the desire for greater flexibility, it was not considered practicable to make any staffing decision based solely on timing and circumstances.

Re section 5.1.2 (2) sentence 3 of the 2017 Code: The Executive Committee did not specify an age limit for the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH as the general partner. This was not considered practicable.

Re sections 5.3.1 sentence 1, 5.3.2 and 5.3.3 of the 2017 Code: The Supervisory Board did not set up committees, specifically an audit committee. The full Supervisory Board wishes to discuss all issues as they arise, specifically with regard to monitoring the bookkeeping, the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, the audit of the financial statements as well as compliance. This applies *mutatis mutandis* to the Supervisory Board's decision not to establish a nominating committee as recommended in the Code. Moreover, this committee already consists exclusively of shareholder representatives, as required of a nominating committee by the Code.

Re section 5.4.1 (2) sentences 1 and 2 and (4) sentences 1 and 2 of the 2017 Code: The Supervisory Board did not set any concrete objectives regarding its composition, nor did it specify an age limit for Supervisory Board members or prepare a profile of skills and expertise. The Supervisory Board preferred to decide on proposals relating to its composition on a case-by-case basis in light of specific situations. Consequently, no further information was reported on this recommendation or compliance with it. Notwithstanding the foregoing, compliance with the requirement, issued by the legislator, that the target proportion of women on the Supervisory Board be defined, remained mandatory (§ 278 (3) and § 111 (5) AktG as well as § 289f (3) and (2) no. 4 HGB).

Re section 5.4.1 (6) of the 2017 Code: In its election nominations to the Annual General Meeting, the Supervisory Board did not disclose the personal and business relationships of every candidate with the Company, the governing bodies of the Company and

limited liability shareholders with a material interest in the Company (i.e., those holding more than 10% of voting shares). In its opinion, no secure legal practice exists with respect to this recommendation. The legal certainty of Supervisory Board elections took a higher priority than any effort to make legally unnecessary disclosures in connection with nominations.

Re section 5.4.3 sentence 3 of the 2017 Code: No proposed candidates for the office of Chairman of the Supervisory Board were disclosed because the Supervisory Board considered the individual election of its members to be sufficient and a vote at the Annual General Meeting for or against a candidate with respect to their position on the Supervisory Board to be impracticable.

Re section 5.5.3 sentence 1 of the 2017 Code: The Supervisory Board reserves the right to not comply with the recommendation that it report to the Annual General Meeting on conflicts of interest as they arise and how they are addressed. The principle of confidentiality of deliberations within the Supervisory Board (see § 116 sentence 2 AktG and section 3.5 (1) sentence 2 of the 2017 Code) generally takes precedence.

Re section 7.1.2 sentence 2 of the 2017 Code: The recommendation that the management discuss half-yearly and quarterly financial reports or interim financial information with the Supervisory Board prior to publication was not complied with. The objective of publishing interim financial reports without delay following their preparation by the management took precedence. Regardless, the Supervisory Board discussed and monitored such financial reports.

DEVIATIONS FROM THE 2020 CODE

Re recommendation A.2 sentence 2 first half-sentence of the 2020 Code: In accordance with this recommendation, appropriate measures must be in place that allow employees to report any violations of the law within the Company, without fear of retaliation. This is generally known as a whistleblower system and guarantees that employees within the Group can anonymously, or in a manner that safeguards the confidentiality of their identity, report certain violations (e.g., an anonymous electronic communications platform). No such whistleblower system has been put in place at our Company to date and there are no plans to do so going forward. The Company offered and continues to offer what it considers to be appropriate and reasonable opportunities for employees to report – confidentially, if necessary – any violations of the law or internal Company guidelines. Apart from the fact that the Company is not legally obligated to establish a whistleblower system, the Company also considered in particular the potential drawbacks of a whistleblower system, namely the risk that such system could be misused and create an atmosphere of mistrust that adversely affects the corporate culture and employee morale.

Re recommendation B.4 of the 2020 Code: As in the past, the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH will continue to decide on the reappointment of its Managing Directors, including, even in the absence of special circumstances, prior to the end of one year before the end of the existing term of appointment. Given the specific features of the KGaA legal form and due to the desire for greater flexibility, it is not considered practicable to make any staffing decision based solely on timing and circumstances.

Re recommendation B.5 of the 2020 Code: As in the past, the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH will continue to make decisions as to age limits for the Managing Directors of the general partner for upcoming (re-)appointments of Managing Directors, without generally stipulating an age limit to that extent. It is not considered practicable to set any age limits.

Re recommendations C.1 sentences 1 to 4 and C.2 of the 2020 Code: The Supervisory Board has not set any concrete objectives regarding its composition, has not prepared a profile of skills and experience, and has not established an age limit for Supervisory Board members. Nor are there plans to do so going forward. The Supervisory Board's continuing preference is to decide on proposals relating to its composition on a case-by-case basis in light of specific situations. Consequently, no further information was or is reported on this recommendation or its compliance with it. Notwithstanding the foregoing, compliance with the requirement, issued by the legislator, that the target proportion of women on the Supervisory Board be defined, remains mandatory (§ 278 (3) and § 111 (5) AktG as well as § 289f (3) and (2) no. 4 HGB).

Re recommendation C.13 of the 2020 Code: In its election proposals to the Annual General Meeting, the Supervisory Board does not disclose the personal and business relationships of every candidate with the Company, the governing bodies of the Company and limited liability shareholders with a material interest in the Company (i.e., those holding more than 10% of voting shares). Nor are there plans to do so going forward. In its opinion, no secure legal practice exists with respect to this recommendation. The legal certainty of Supervisory

Board elections took and takes a higher priority than any effort to make legally unnecessary disclosures in connection with nominations.

Re recommendation D.1, second half-sentence of the 2020 Code: The new recommendation to publish the rules of procedure of the Supervisory Board on the Company's website was complied with at the end of August 2020. Since due to other priorities the recommendation was not complied with immediately after publication of the 2020 Code, a deviation is declared retrospectively as a precaution.

Re recommendations D.2, D.3 and D.5 of the 2020 Code: The Supervisory Board has not set up committees and nor will it do so going forward. The full Supervisory Board wishes to discuss all issues as they arise, specifically with regard to monitoring the bookkeeping, the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, the audit of the financial statements as well as compliance. This applies *mutatis mutandis* to the Supervisory Board's decision not to establish a nominating committee as recommended in the Code. Moreover, this committee already consists exclusively of shareholder representatives, as required of a nominating committee by the Code.

Re recommendation E.1 sentence 2 of the 2020 Code: The Supervisory Board reserves the right to not comply with the recommendation that it report to the Annual General Meeting on conflicts of interest as they arise and how they are addressed. The principle of confidentiality of deliberations within the Supervisory Board (see § 116 sentence 2 AktG and principle 13 sentence 3 of the 2020 Code) will generally take precedence.

Dortmund, 7 September 2020

On behalf of the Supervisory Board



Gerd Pieper
Chairman


On behalf of Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (CEO)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



MANAGEMENT REPORT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



Echte Liebe.



MANAGEMENT REPORT Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund for the 2019/2020 financial year

(hereinafter "Borussia Dortmund" or "Borussia Dortmund GmbH & Co. KGaA")

BUSINESS TREND

LOOKING BACK ON FINANCIAL YEAR 2019/2020

Athletic Performance

COVID-19 pandemic

Match operations in the first and second Bundesliga divisions were suspended from 13 March to mid-May 2020 on account of the COVID-19 pandemic. After DFL Deutsche Fußball Liga GmbH had submitted a hygiene and safety concept, the minister presidents of the federal states resolved on 6 May 2020 to allow match operations in the first and second Bundesliga divisions to resume behind closed doors. Borussia Dortmund resumed action on 16 May 2020, facing FC Schalke 04 in a local derby, before playing all nine outstanding matches of the current season by 27 June 2020.

Bundesliga

Borussia Dortmund chalked up 69 points in the 2019/2020 Bundesliga season to once again finish in second place behind FC Bayern Munich, as had been the case in the previous year. As runners-up, Borussia Dortmund qualified directly for the group stage of the UEFA Champions League in the 2020/2021 season as well as this year's DFL Super Cup.

UEFA Champions League

Borussia Dortmund advanced from the group stage to the round of 16 of the UEFA Champions League after finishing in second place in its group with three wins, one draw and two losses. Although Borussia Dortmund won the first leg against Paris Saint-Germain 2:1, the team was eliminated from the competition after losing the return match 0:2 in what was the club's first match behind closed doors of the season.

DFB Cup

After beating both KFC Uerdingen and Borussia Mönchengladbach, Lucien Favre's team lost 3:2 against Werder Bremen in the quarter finals on 4 February 2020.

PERFORMANCE INDICATORS

Various financial and non-financial indicators are used to measure performance. Borussia Dortmund uses these internally-defined performance indicators to guide its entrepreneurial actions and to select the focus of its internal reporting.

Financial performance indicators

From a wide range of possible financial indicators, Borussia Dortmund focuses on those specific indicators that in the past few years were primarily used to steer the Company.

First and foremost is sales. Management uses this indicator to internally manage the Company, knowing full well that this indicator alone is not sufficiently meaningful. Nevertheless, it provides a clear indication of the Company's economic strength, especially when compared against that of competitors or when monitoring the Company's long-term sales trend.

The result from operating activities (EBIT) and net income or loss for the year are also used to manage the Company. These financial performance indicators play a key role in preparing the budget

for the coming financial year(s), in interim controlling with respect to the earnings performance and when looking back on a particular financial year.

Another key performance indicator is the operating result (EBITDA). This is due to the high level of investment activity and the associated increase in depreciation, amortisation and write-downs. Therefore, EBITDA (EBIT adjusted for depreciation, amortisation and write-downs) was selected to better benchmark the Company's annual performance.

These indicators are rounded out by cash flows from operating activities and free cash flow, both of which the Company uses for internal planning purposes.

Free cash flow is defined as cash flows from operating activities plus cash flows from investing activities and is a key indicator used to ensure that cash flows from operating activities are sufficient to cover investments. Because Borussia Dortmund's strategic objective is to maximize sporting success without incurring new debt, free cash flow is a key indicator for the club. In light of steadily growing transfer sums, free cash flow is thus becoming increasingly important. Furthermore, it is an indicator

used to determine whether Borussia Dortmund has sufficient funds to finance the steady dividend payments to its shareholders. Therefore, Borussia Dortmund strives to continuously optimise free cash flow.

Non-financial performance indicators

Borussia Dortmund's only non-financial performance indicator is the reach of its brand.

While it is impossible to measure the reach of Borussia Dortmund's brand, it is determined by a number of criteria that, when taken together, are representative of the brand's reach.

Some of these criteria are measurable, while others are not. Nevertheless, they are a reflection of the Company's appeal.

The number of criteria varies and they are thus exchangeable. While any one factor may be of relevance during a given season, this may not necessarily be the case in subsequent years. New media in particular constantly provides new value

drivers: for instance, the number of Facebook fans or page impressions represent relatively new indicators.

Measurable criteria include, for example, the number of season tickets sold, attendance figures and television broadcast hours.

Awards, surveys and studies represent possible criteria that cannot be measured quantitatively. Another "soft" criterion is the deliberate selection of sponsors whose products and brand images are aligned with the Borussia Dortmund brand.

Borussia Dortmund's decision-makers receive reports about all criteria on a regular basis. Furthermore, taken as a whole, these are an indicator of the success of the Company's strategic alignment.

Compared to the previous year, there were no changes to Borussia Dortmund's control system.

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT

Sponsorships

Two new Champion Partners teamed up with Borussia Dortmund at the beginning of the 2019/2020 season: ESET spol. s.r.o. and comdirect bank AG. comdirect bank AG will be the club's official banking partner.

The agreements run until 30 June 2022 and 30 June 2023, respectively.

At the start of the 2019/2020 season, Borussia Dortmund also welcomed two new partners, the long-established German manufacturer of coffee products, Melitta Group Management GmbH & Co. KG, and the international cosmetics company, L'Oréal Deutschland GmbH.

In addition to these two new partners, the club also extended two existing partnerships: Coca-Cola European Partners Deutschland GmbH and MBG International Premium Brands GmbH (effect energy drink) renewed their sponsorship agreements and will remain Premium Partners until 2022.

The analogue advertising boards in the upper stands were replaced by the new digital boards at the start of the new season. These new boards give the club more sponsorship opportunities and also reduce the costs associated with preparing the stadium for international matches.

Borussia Dortmund and PUMA International Sports Marketing B.V. extended their partnership through to 30 June 2028. Extending the existing cooperation is a milestone for Borussia Dortmund as it seeks to secure a permanent position among the leading clubs in the Bundesliga and the top 15 in Europe.

Borussia Dortmund will have two different kit sponsors for the 2020/2021 season: The team will wear kits bearing Evonik Industries AG's logo for all international club competitions, friendlies staged abroad and DFB Cup matches. For its Bundesliga matches, the team will wear kits bearing the logo of 1&1 Telecommunication SE.

The COVID-19 pandemic significantly impacted sponsoring at the end of the past season. Due to

the suspension of match operations, Borussia Dortmund was unable to render all of its advertising services. The loyalty and tremendous willingness to compromise displayed by advertising partners has been particularly felt in these difficult economic times.

Transfer deals

Five players left Borussia Dortmund during the 2019 summer transfer window:

Abdou Diallo moved to Paris Saint-Germain F.C. and Maximilian Philipp now plays for FC Dynamo Moscow. Alexander Isak and Shinji Kagawa also both left Borussia Dortmund and now ply their trade in Spain at Real Sociedad San Sebastián and Real Zaragoza, respectively.

Sebastian Rode permanently moved to Bundesliga rivals Eintracht Frankfurt after spending the second half of the past season on loan there.

Six other players left Borussia Dortmund on loan to other clubs: Jeremy Toljan plays for FC Sassuolo, Ömer Toprak for SV Werder Bremen, Marius Wolf for Hertha BSC Berlin, Sergio Gómez for SD Huesca, Felix Paslack for Fortuna Sittard, and André Schürrle for FC Spartak Moscow. All loan agreements expire at the end of the 2019/2020 season.

Leading up to 30 June 2020, Borussia Dortmund agreed to again loan full-back Jeremy Toljan to U.S. Sassuolo, ranked twelfth in Italy's Serie A. This loan agreement includes a buy option, which will automatically apply once the loan expires if certain conditions are met.

Three players left Borussia Dortmund during the winter transfer window: Julian Weigl transferred to Benfica Lisbon, Paco Alcácer to Villarreal CF, and Jacob Bruun Larsen to Bundesliga rivals TSG Hoffenheim.

Borussia Dortmund decided to not renew its contract with Mario Götze, who will depart the club at the end of the current season.

Achraf Hakimi's loan spell will end on 30 June 2020, at which time he, too, will leave Borussia Dortmund.

Capital expenditure

Borussia Dortmund signed six players during the summer transfer window:

Mats Hummels returned to Dortmund after three years at FC Bayern Munich. Borussia Dortmund also signed three other Bundesliga players: Nico Schulz from TSG Hoffenheim, Thorgan Hazard from Borussia Mönchengladbach and Julian Brandt from Bayer 04 Leverkusen.

BVB exercised the buy option in its loan agreement with FC Barcelona and initially signed centre-forward Paco Alcácer until 2023. The highly-rated youngster Mateu Morey also joined Borussia Dortmund on a free transfer from FC Barcelona.

In January 2020, Borussia Dortmund signed the highly talented Norwegian striker Erling Braut Haaland until 2024. Emre Can also joined Borussia Dortmund, transferring from Juventus Turin and signing a contract until 30 June 2024.

Borussia Dortmund extended the contracts of Łukasz Piszczek and Roman Bürki. While Piszczek signed a one-year extension until 2021, Dortmund's goalkeeper Bürki extended his contract until 30 June 2023.

In June 2020, Borussia Dortmund announced that it had signed Thomas Meunier. The Belgium international leaves French champions Paris Saint-Germain for Dortmund, having signed a contract until 2024.

TV Marketing

Due to the interruption of the current season on account of the COVID-19 pandemic, the income accrued for the first 25 match days was calculated as at 31 March 2020 and the disbursement of funds was subsequently recalculated. This led to a decrease in income from domestic and international TV marketing. Likewise, the disbursement dates have also been postponed accordingly into the new season.

Since UEFA Champions League matches will be held well into August 2020, the funds for the past season also still need to be calculated and disbursed.

Match operations

Borussia Dortmund continued to be hugely popular in the 2019/2020 season. The club virtually sold out all eight of its Bundesliga and UEFA Champions League home matches open to spectators.

Borussia Dortmund again sold the most season tickets in the Bundesliga, at 55,500.

Due to the global COVID-19 pandemic, the Bundesliga suspended match operations for ten weeks from mid-March to mid-May 2020, at which point a strict hygiene concept was put in place and the season was played out behind closed doors.

Other

Borussia Dortmund was the first club in the Bundesliga and the second in Europe to release its own documentary, Inside Borussia Dortmund. This four-part production was initially released via streaming service Amazon Prime Video before being serialised by public broadcaster WDR. The series gives fans around the world a unique look behind the scenes at Borussia Dortmund.

Borussia Dortmund invested in new flood lights to ensure that club is in line with the DFL's standards and that it meets UEFA's requirements for the 2024 European Championship.

Borussia Dortmund's third Sustainability Report was published on 31 October 2019 and can be accessed online at

<http://verantwortung.bvb.de/2019/en/home-en/>.

In these turbulent times, Borussia Dortmund remains committed to continuity and extended the contract with its sporting director Michael Zorc early by a further year until 30 June 2022.

* The content accessible via the link does not constitute part of this management report. In accordance with the statutory requirements, KPMG AG Wirtschaftsprüfungsgesellschaft has neither audited the cross-references nor the information to which the cross-references refer.

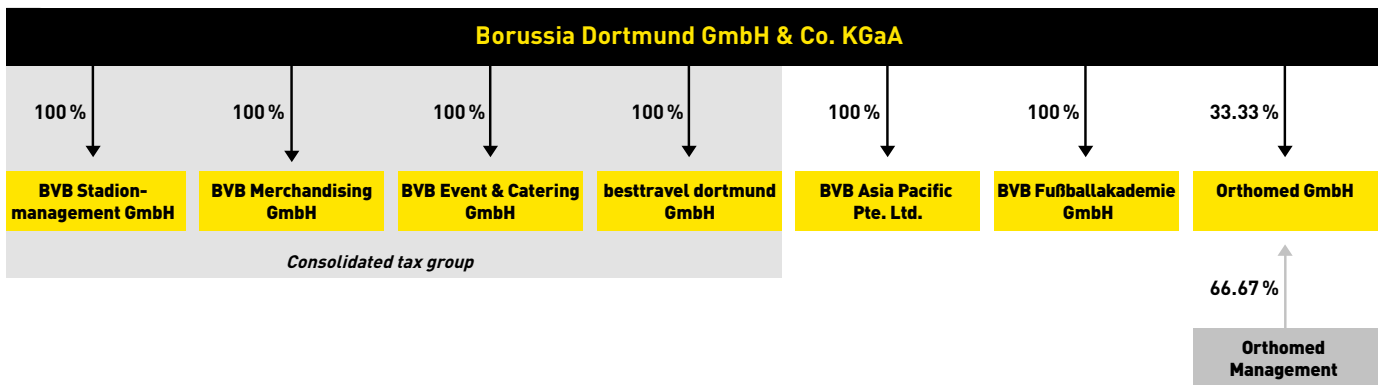
GENERAL INFORMATION ABOUT THE COMPANY

GROUP STRUCTURE AND BUSINESS OPERATIONS

In addition to its core activities of playing football and marketing SIGNAL IDUNA PARK, Borussia Dortmund has established football-related lines of business. The Company currently holds indirect and direct equity investments in the following companies: BVB Stadionmanagement GmbH (100.00%), BVB Merchandising GmbH (100.00%),

BVB Event & Catering GmbH (100.00%), BVB Asia Pacific Pte. Ltd. (100.00%), besttravel dortmund GmbH (100.00%), BVB Fußballakademie GmbH (100.00%) and Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (Orthomed GmbH) (33.33%).

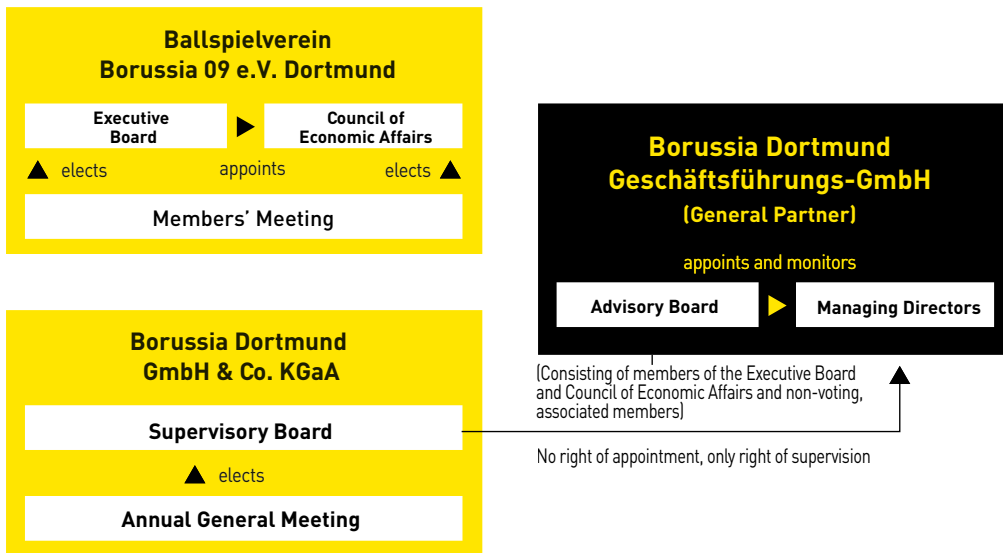
Some of these companies have concluded profit and loss transfer agreements with the parent.



ORGANISATION OF MANAGEMENT AND CONTROL

Borussia Dortmund Geschäftsführungs-GmbH, the general partner of Borussia Dortmund GmbH & Co. KGaA, is responsible for management and representation of the latter. Borussia Dortmund Geschäftsführungs-GmbH is for its part represented by Managing Directors Hans-Joachim Watzke (Chairman), Thomas Treß and Carsten Cramer; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.

The following chart shows the structures and responsibilities as between Ballspielverein Borussia 09 e.V. Dortmund, Borussia Dortmund GmbH & Co. KGaA and Borussia Dortmund Geschäftsführungs-GmbH:



The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA, which is appointed by the Annual General Meeting, has limited rights and duties. It has no authority with respect to matters involving personnel, i.e., no authority to appoint and dismiss managing directors at Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their contracts. Nor is the Supervisory

Board authorised to adopt internal rules of procedure or to define a list of transactions requiring its consent on behalf of the general partner. Rather, such rights and duties are vested in the governing bodies of Borussia Dortmund Geschäftsführungs-GmbH, namely its Advisory Board and the Executive Committee created by the Advisory Board.

The names of the members of the Company's Supervisory Board in the 2019/2020 financial year, their right to remuneration, their occupations and their further responsibilities on other management bodies are listed below:

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. KGaA

Gerd Pieper	Dr. Werner Müller	Christian Kullmann	Bernd Geske	Peer Steinbrück	Ulrich Leitermann	Bjørn Gulden	Dr. Reinhold Lunow	Silke Seidel	Bodo Löttgen
Chairman	Deputy Chairman (until 15 July 2019, deceased)	Deputy Chairman (since 28 August 2019)							(since 25 November 2019)

RIGHT TO REMUNERATION IN 2019/2020 [EUR '000]

48	6	34	24	24	24	24	24	24	14
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OCCUPATIONS [as at 30 June 2020]

Retired; former Managing Director of Stadt-Parfümerie Pieper GmbH, Herne	Chairman of the Executive Board of Evonik Industries AG, Essen	Managing partner of Bernd Geske Lean Communication, Meerbusch	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group (SIGNAL Krankenversicherung a.G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., Hamburg; SIGNAL IDUNA Unfallversicherung a.G., Dortmund)	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuscher Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund	Chair of the CDU parliamentary group in the state parliament of North Rhine-Westphalia, detective chief inspector (Kriminalhauptkommissar) (ret.), public administration graduate
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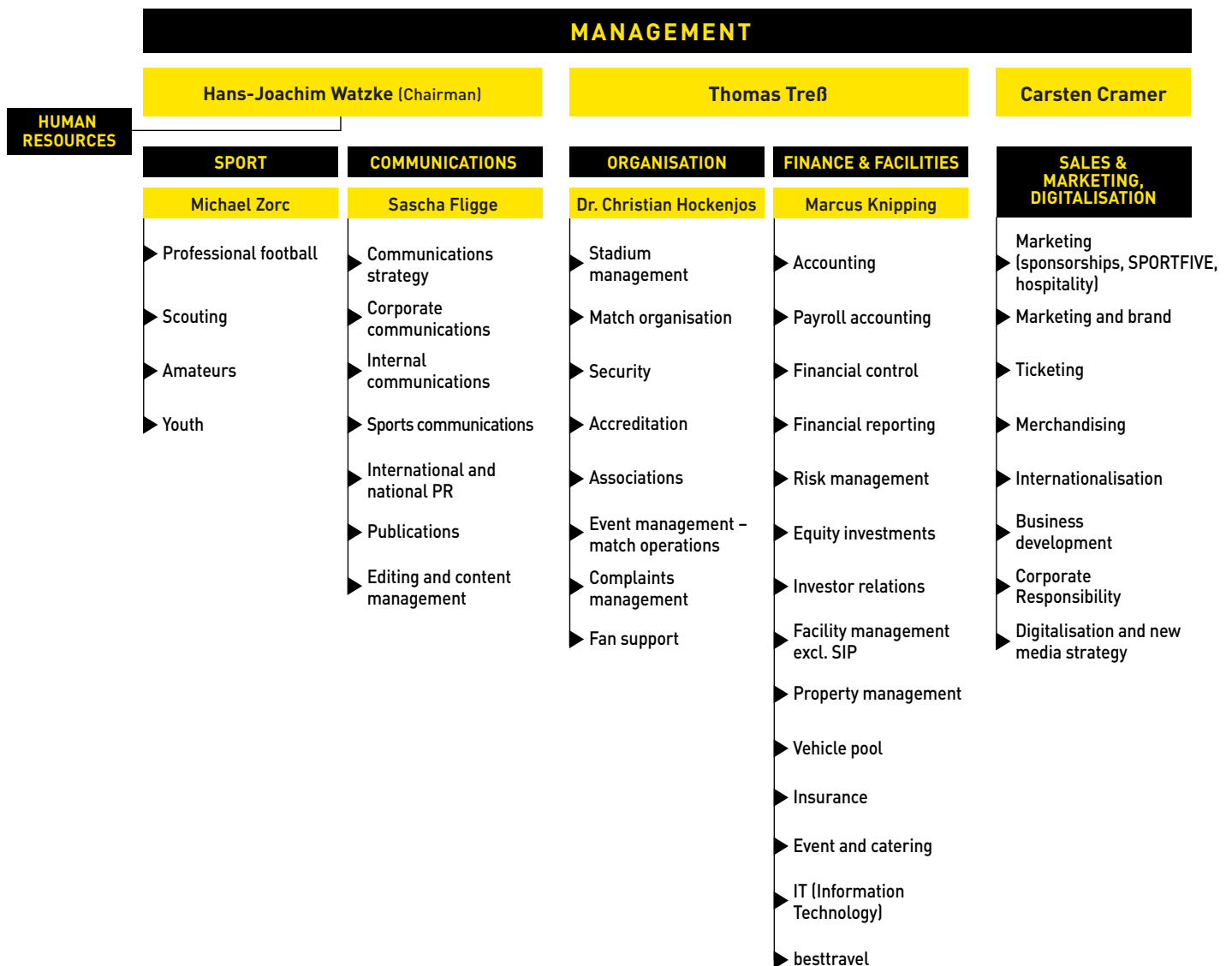
OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises [as at 30 June 2020]

Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund	Chairman of the Supervisory Board of Clear-VAT Aktiengesellschaft, Berlin	Member and Chairman of the Supervisory Board of Dortmund Volksbank eG, Dortmund	Member and Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning	Chairman of the Board Salling Group A/S, Braband, Denmark (since 6 March 2020)	Member of the Supervisory Board of Tchibo GmbH, Hamburg	Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund
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Within Borussia Dortmund GmbH & Co. KGaA there are five independent functional areas below the management level, namely, "Sports", "Sales & Marketing, Digitalisation", "Communications",

"Organisation" and "Finance & Facilities". The responsible employees and the functional organisational areas of which they are in charge are shown in the chart below:

Functional areas of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



INTERNAL MANAGEMENT AND CONTROL SYSTEM

Sports management

Despite our financially stable results, we will continue to focus on achieving success on the pitch in future under a budget tuned for performance. To accomplish this objective, Borussia Dortmund will continue to put together a competitive team in future with an emphasis on young, promising players.

Our sporting objectives will be aligned with our financial circumstances, meaning that the makeup of the squad and its cost structure will continue to depend on calculable variables on the income side. Qualifying for and participating in international competitions has provided the financial flexibility to reinforce the squad – with the goal of also establishing a presence in European competitions going forward.

Financial management

Borussia Dortmund uses the result from operating activities and the operating result as indicators for measuring the economic success of the Company. Borussia Dortmund derives its result from operating activities from earnings before interest and taxes (EBIT) and its operating result from earnings before interest, taxes and depreciation and amortisation (EBITDA). The Company continuously monitors both the operating result (EBITDA) and the result from operating activities (EBIT) of the segments on the basis of monthly comparisons of the budgeted and actual figures. To optimise these indicators, the main

factors to be leveraged are sales, which can be additionally improved in the major sales categories of match operations, advertising, transfer deals and TV marketing, and operating expenses, which can be lowered through disciplined management.

A key goal of the management of Borussia Dortmund is to achieve a lasting increase in profitability along with bolstering its financial strength. In addition to steadily improving the operating result (EBITDA) and the result from operating activities (EBIT), a positive free cash flow is therefore the most important financial objective of our Company. We seek to optimise these cash flows.

In the coming years, Borussia Dortmund will concentrate on generating steady sales growth while limiting operating expenditure. The decisive factor in this respect will be qualifying for international competitions.

Capital management

The capital management responsibilities of the Company's management involve stabilising and increasing the equity of Borussia Dortmund. One of the main ways in which we will reach these objectives is by improving the operating result and making effective investments.

The management uses the result from operating activities (EBIT), the operating result (EBITDA) and the net profit/loss for the year to manage the Company.

CORPORATE STRATEGY

Borussia Dortmund pursues the objective of defending its position in the top flight of the Bundesliga and sees itself well on the way to accomplishing that goal.

As the first listed German football company, we have expanded our financial base by exclusively marketing the rights to SIGNAL IDUNA PARK as well as by utilising and maintaining the Borussia Dortmund brand more effectively. The Company will continue to focus heavily on its core business of professional football and the sport's classic sales pillars: TV marketing, advertising, match operations, transfer deals, conference, catering and miscellaneous activities, and merchandising. Borussia Dortmund is confident that it will be able to further stabilise and expand its position for the following reasons:

- Borussia Dortmund is in sporting terms one of the most successful, well known and popular German football clubs with an outstanding fan base that gives it one of the highest average spectator numbers compared to other European football clubs.
- A football enterprise can be financially successful only if it enjoys sporting success over the long term. In order to make its financial performance less dependent on short-term sporting success in the future, Borussia Dortmund will push ahead further with the national and international marketing of its brand name.

- Germany continues to be one of Europe's largest football markets, although it lags behind certain other European markets, such as the UK, in terms of media exploitation rights. This means that Germany has major growth potential.

All financial activities of Borussia Dortmund are geared towards the target groups relevant to a football club: its fans, members and business partners. Products and services should be tailored to these groups as closely as possible. Borussia Dortmund intends to use the brand potential at its disposal to take full advantage of the commercial opportunities inherent in professional club football at an international level.

Its current business strategy can principally be summarised as follows:

- Sustainably adjusting athletic prospects
- Intensifying the promotion of up-and-coming talent
- Increasing fan involvement
- Utilising and maintaining the Borussia Dortmund brand

Financial performance and business development are dependent on footballing success. Since footballing success is difficult to plan, the best that

management can do is to create a solid foundation for success. Investments, particularly in the professional squad, are therefore a necessary prerequisite for achieving footballing objectives such as qualifying for the UEFA Champions League. However, in order to meet financial objectives, planned investments and decisions must under certain circumstances be postponed to the extent these would only be possible by incurring new debt. Moreover, a player might be sold based on financial considerations in cases where this would not have happened had the decision been made purely on the basis of sporting criteria.

Thus a conflict arises between the pursuit of financial interests and sporting interests, i.e., a situation in which sporting considerations and financial considerations may be at odds with each other, particularly if the club continually falls short of its sporting goals. In such cases, management weighs the opportunities and risks to find a solution that does adequate justice to the Company's strategic objectives.

Advertising plays a key role in this context. Over the years, advertising has grown to become one of the Company's largest income categories. In contrast to central TV marketing, where distribution is already clearly defined in advance, Company management is itself able to determine the requirements for and direction of sponsoring

activities and, if necessary, modify the strategy implemented as circumstances change. The key figures for the sponsoring segment were already budgeted for the coming years based on commitments from SIGNAL IDUNA Group (ending 2026) and PUMA International Sports Marketing B.V. (ending 2028), the Company's chief partners, as well as 1&1 Telecommunication SE as the second primary sponsor in addition to Evonik Industries AG (both ending 2025).

Income from international competitions is more difficult to budget for, since it depends solely on the squad's footballing success.

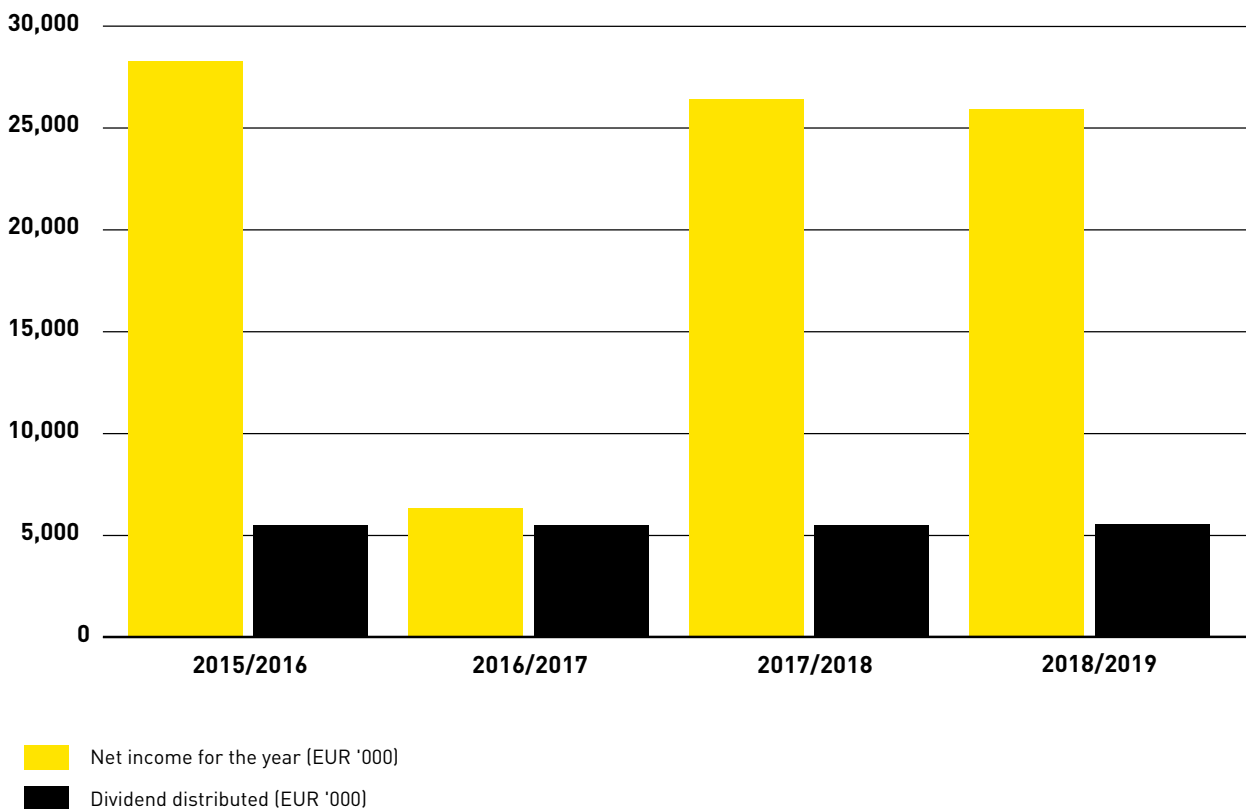
DIVIDEND POLICY

Two key indicators are assessed to shape Borussia Dortmund's dividend policy.

On the one hand, Borussia Dortmund assesses its earnings situation, and in the past few financial years has generated a net profit. The Company reported a net loss for the current financial year, in particular on account of the effects of the COVID-19 pandemic. On the other hand, free cash flow is used to ensure that cash flows from operating activities are sufficient to cover investments.

In order to remain competitive, Borussia Dortmund intends to use its net income for the year and cash and cash equivalents primarily for investments. The primary focus is on strengthening the professional squad, modernising SIGNAL IDUNA PARK and expanding the training ground in Dortmund-Brackel. Despite these investments, it is Borussia Dortmund's aim to continue distributing a dividend to its shareholders every year, provided it generates a net profit.

Dividend distribution



CORPORATE GOVERNANCE DECLARATION PURSUANT TO § 289F HGB

Pursuant to § 289f of the German Commercial Code (*Handelsgesetzbuch*, "HGB"), listed German stock corporations (*Aktiengesellschaften*) must prepare a corporate governance declaration. This declaration includes the declaration of conformity with the German Corporate Governance Code, and presents the corporate governance practices and the working principles of the management and the Supervisory Board and its committees. The corporate governance declaration is not included in the management report and is instead published online at <https://aktie.bvb.de/eng/Corporate-Governance/Corporate-Governance-Declaration>.

In accordance with § 289b (2) sentence 2 HGB, Borussia Dortmund GmbH & Co. KGaA is exempt from preparing a non-financial statement. The separate non-financial Group report is published online at <https://aktie.bvb.de/eng/Publications/Annual-Reports>.*

* In accordance with the statutory requirements, KPMG AG Wirtschaftsprüfungsgesellschaft has neither substantively audited the cross-references nor the information to which the cross-references refer.

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

Borussia Dortmund had forecast a net profit of approximately EUR 2,500 thousand for the 2019/2020 financial year. EBIT had been forecast to be EUR 3,000 thousand below the net profit for the year. Since depreciation, amortisation and write-downs were expected to exceed EUR 80,000 thousand, the operating result (EBITDA) should have exceeded the result from operating activities (EBIT) by this amount. Borussia Dortmund had expected total sales to amount to approximately EUR 440,000 thousand. The forecast had called for cash flows from operating activities of EUR 135 million and free cash flow of EUR 30 million.

Given the restrictions as a result of the COVID-19 pandemic, Borussia Dortmund GmbH & Co. KGaA resolved to withdraw its forecast of a net profit in the low millions for the 2019/2020 financial year, as published in its 2018/2019 Annual Report. Please refer to the ad hoc disclosure dated 16 March 2020.

In its ad hoc disclosure dated 29 June 2020, Borussia Dortmund issued a new earnings forecast for the 2019/2020 financial year. Management now forecast a consolidated net loss for the year of approximately EUR 45 million.

The earnings forecast in Borussia Dortmund GmbH & Co. KGaA's HGB single-entity financial statements was also revised downwards in line with the withdrawal of the forecast.

The forecast figures are a direct reflection of the effects of the COVID-19 pandemic, which impacted all of Borussia Dortmund's sales categories.

Accordingly, since other financial performance indicators are likewise subject to significant change, no forecasts are presented in the following section.

Development of financial performance indicators

In the 2019/2020 financial year, Borussia Dortmund's financial performance indicators – sales, result from operating activities (EBIT), operating result (EBITDA),

net profit/net loss for the year, cash flows from operating activities and free cash flow – were as follows:

Borussia Dortmund KGaA (HGB)

EUR '000	2019/2020	2018/2019
Sales	442,126	446,030
Operating result (EBITDA)	54,264	114,991
Result from operating activities (EBIT)	-51,283	24,353
Net income/net loss for the year	-49,662	25,844
Cash flows from operating activities	111,654	143,692
Free cash flow	-48,718	4,737

Development of non-financial performance indicators

In the past financial year, Borussia Dortmund decided to form the Corporate Responsibility department to consolidate its CSR activities more effectively. The department tackles issues of social, ecological as well as economic responsibility. This is in line with Hans-Joachim Watzke's call to action to better leverage the Company's appeal to effect social change and fight climate change, and the department has been given the resources necessary for these tasks. Sustainability applies to all facets of the Company. Therefore, the Corporate Responsibility department has established an internal working group with representatives from all departments to focus on and advance this issue. The working group reports to the management. Its role is to holistically shape Borussia Dortmund's sustainable development, identify ESG risks and opportunities and take appropriate action. The findings and insights, as well as the action taken, are presented in the annual Sustainability Report.

In the past financial year, Borussia Dortmund demonstrated in impressive fashion that it actively embraces its responsibility towards both its employees and the industry as a whole. Seldom has the connection between football and social responsibility been clearer than in this season. Economic issues, forces seeking to build but also divide communities, as well as ecological and health challenges have come to light. During this time, Borussia Dortmund has taken it upon itself to leverage its appeal to rise to these social challenges. "The calibre of a football club lies in how it fulfils its social responsibilities." As we face the COVID-19 pandemic, this quote from Franz Jacobi, one of BVB's founding fathers, rings true today more than ever and has been brought to life in special fashion – for everyone at and outside of the club to see. Despite the economic losses, we maintained our employees' regular working hours and output while affording them the same level of health and safety. Arrangements with partners and opportunities for temporary employees to continue to work as

essential workers during the pandemic reinforce both BVB's stable network of partnerships and the club's sense of responsibility towards its employees. Countless initiatives under the movement #Borussiaunites are displaying solidarity that each in their own way are having a deep impact on society. One such example is BVB's "digital match day", which was launched to help the city's vibrant food scene. Fans virtually retrace the steps they would normally take to the stadium and support participating restaurants, pubs and kiosks with a donation. But more than financial aid is needed. Calls for blood donations, tips for fun children's activities at home from the club's mascot Emma, distributing food for the needy from the stadium – all of these initiatives demonstrate the solidarity displayed by the BVB family. And the family is growing steadily, which is reflected above all by the statistics for the club's digital mediums. The club's presence on social media continues to grow. At the end of the financial year, its followers on Facebook, Twitter, Instagram YouTube and SinaWeibo exceeded the numbers in the previous quarter. Borussia Dortmund's fan work – which the club always tailors to its ever-evolving community of 952 fan clubs and over 64,000 registered fan club members spanning almost the entire globe – remains one of the BVB's key pillars, helping in large measure to shape the club's underlying business strategy.

Pursuant to the German CSR Directive Implementation Act (*CSR-Richtlinie-Umsetzungsgesetz*), Borussia Dortmund will publish its fourth Sustainability Report, prepared in accordance with the GRI Standards, on 31 October 2020. It outlines the social, economic and environmental aspects of sustainability and describes the club's non-financial performance indicators in detail. You can find out everything you need to know about sustainability at Borussia Dortmund on our website –

<https://verantwortung.bvb.de/2019/en/home-en/>*

* The content accessible via the link does not constitute part of this management report. In accordance with the statutory requirements, KPMG AG Wirtschaftsprüfungsgesellschaft has neither audited the cross-references nor the information to which the cross-references refer.

RESULTS OF OPERATIONS

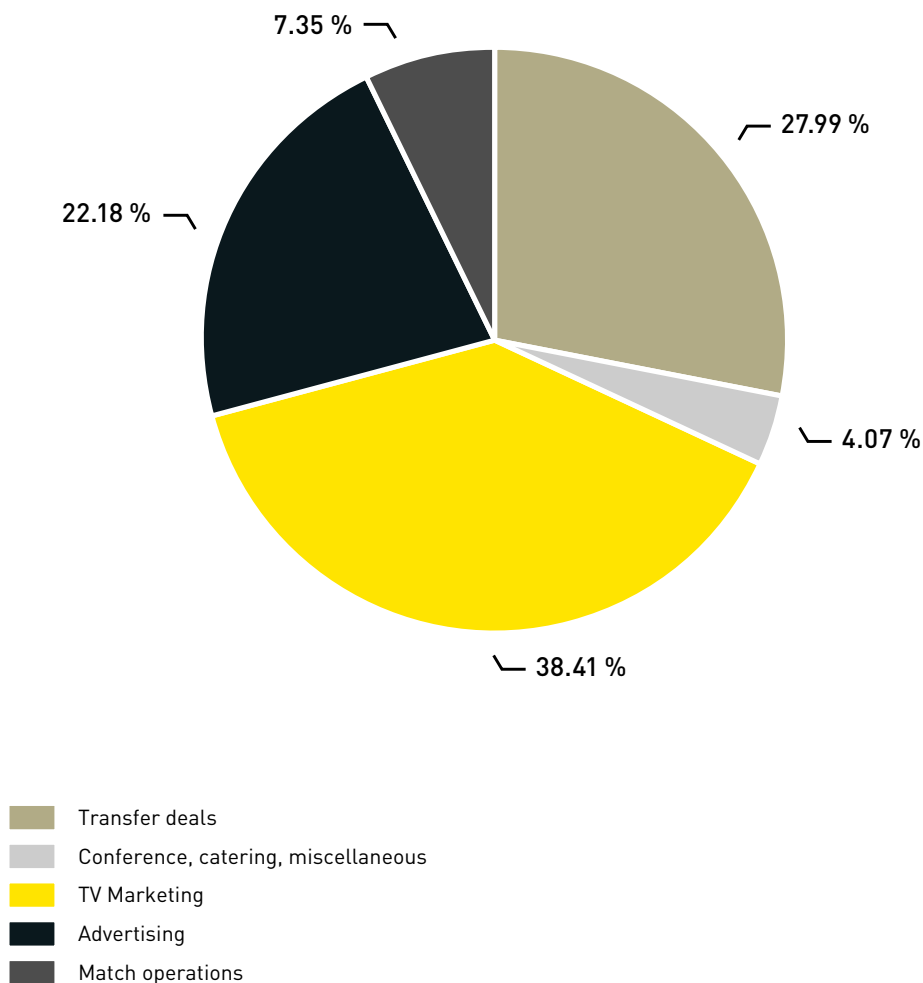
During the reporting period (1 July 2019 to 30 June 2020), Borussia Dortmund generated sales of EUR 442,126 thousand (previous year: EUR 446,030 thousand) and gross revenue of EUR 451,261 thousand, a decrease of EUR 10,704 thousand (2.32%) on the previous financial year.

Earnings before taxes amounted to EUR -49,368 thousand (previous year: EUR 27,656 thousand), while the result from operating activities (EBIT) amounted to EUR -51,283 thousand (previous year: EUR 24,353 thousand).

During the current reporting year, the operating result (EBITDA) amounted to EUR 54,264 thousand (previous year: EUR 114,991 thousand).

Borussia Dortmund generated a net loss of EUR 49,662 thousand during the 2019/2020 financial year (previous year: net income of EUR 25,844 thousand).

Sales in percent

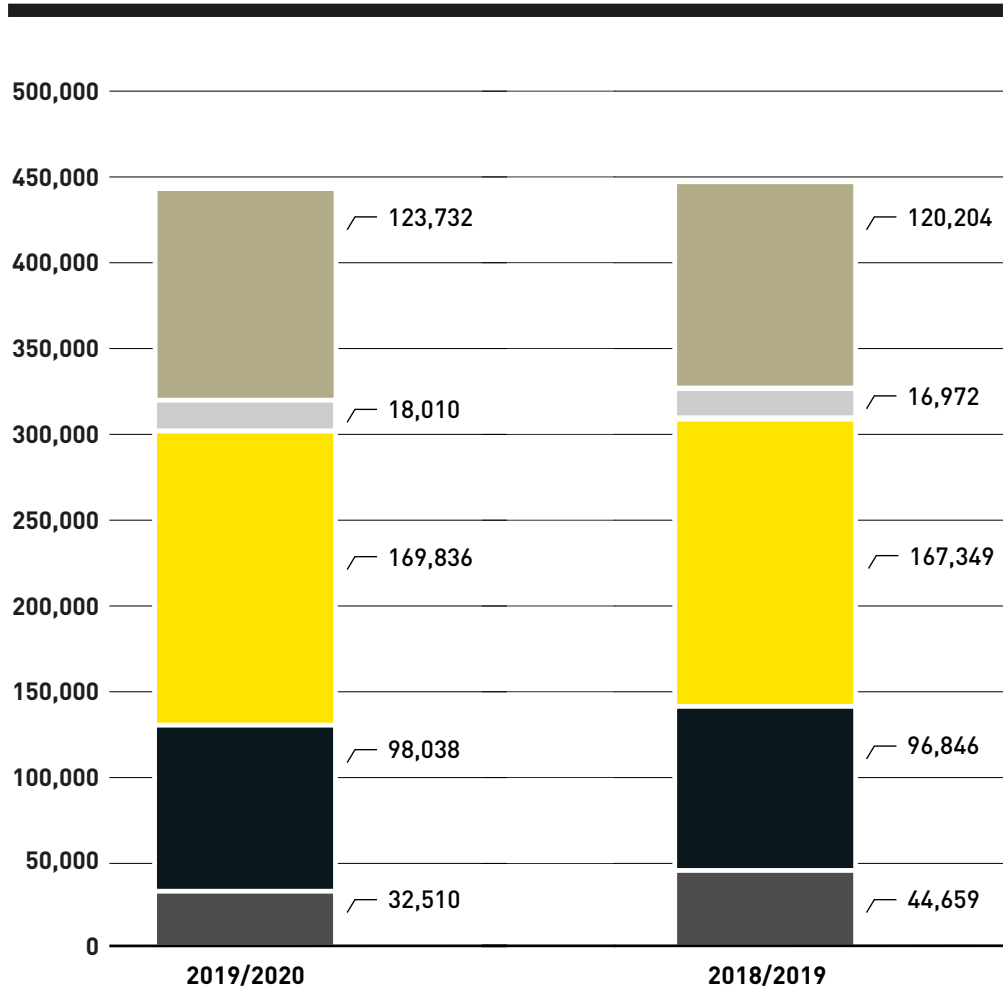


SALES TREND

Borussia Dortmund generated sales of EUR 442,126 thousand in the 2019/2020 financial year. The decrease of EUR 3,904 thousand (0.88%) in sales is due primarily to decline in income from match operations, which decreased from EUR 44,659 thousand in the previous year to EUR 32,510

thousand. Income from transfers, advertising and TV marketing as well as conference, and catering and miscellaneous income increased year on year despite the severe restrictions as a result of the COVID-19 pandemic.

Sales in EUR '000



- Transfer deals
- Conference, catering, miscellaneous
- TV Marketing
- Advertising
- Match operations

The performance of the individual sales items is described in the following:

Income from match operations

Income from match operations decreased by EUR 12,149 thousand to EUR 32,510 thousand in financial year 2019/2020.

Income from match operations for domestic competitions declined by EUR 7,795 thousand to EUR 20,419 thousand. On 13 March 2020, DFL Deutsche Fußball Liga GmbH announced that due to the growing COVID-19 pandemic, match day 26 would initially be postponed until early April. Shortly thereafter, match operations were suspended entirely. Thanks in part to the hygiene concept defined by the DFL, match days 26 to 34 were then held from mid-May until the end of June, albeit without spectators. Thus, Borussia Dortmund did not generate any income from spectators for the club's five home matches, which included the local derby against FC Schalke 04 and the match against FC Bayern Munich.

SIGNAL IDUNA PARK was virtually sold out for the first twelve home matches.

Income from domestic cup competitions declined by EUR 445 thousand to EUR 2,235 thousand. As in the previous year, Borussia Dortmund was eliminated in the third round of the DFB Cup. Unlike in the previous year, only one home match was held at SIGNAL IDUNA PARK.

Despite facing high-calibre opponents in FC Barcelona, Inter Milan and Slavia Prague in the current financial year, Borussia Dortmund successfully navigated the group stage of the UEFA Champions League with three wins, one draw and two losses to once again advance to the round of 16, where it faced Paris Saint-Germain. In the previous season, Borussia Dortmund had also reached the round of 16 of the UEFA Champions League, where it had been paired against Tottenham Hotspur. Borussia Dortmund hosted four home matches in the UEFA Champions League, generating EUR 8,414 thousand in income from standard and hospitality tickets (previous year: EUR 7,480 thousand), representing a year-on-year increase of EUR 934 thousand.

In addition to friendlies, the US tour in July 2019 and the ticket proceeds generated by the club's other teams, Borussia Dortmund generated income of EUR 1,442 thousand in financial year 2019/2020 (previous year: EUR 6,285 thousand).

Income from advertising

In the financial year ended, Borussia Dortmund increased its advertising income by 1.23% to EUR 98,038 thousand (previous year: EUR 96,846 thousand), representing a share of 22.18% of total sales.

In addition to the kit sponsor, Evonik Industries, AG, the equipment supplier, Puma, the holder of the stadium's naming rights, SIGNAL IDUNA, and the sleeve sponsor, Opel Automobile GmbH, Borussia Dortmund's Champion Partners again included nine other companies in financial year 2019/2020.

Whereas the increase in the first half of the 2019/2020 financial year amounted to EUR 4,022 thousand, the increase amounted to just EUR 1,192 thousand for the financial year overall. The COVID-19 pandemic and the five home matches played behind closed doors as a result also had an impact on income from advertising. Many non-TV-related advertising services could not be performed at SIGNAL IDUNA PARK. Furthermore, marquee home matches such as the local derby against FC Schalke 04 and the match against FC Bayern Munich, which are big advertising draws, were held behind closed doors.

The hospitality clients were also unable to utilise all of the services. Marketing for match day packages for the final five home matches was discontinued, as was ticketing.

However, a sharp increase was recorded in the use of virtual advertising boards, which have been used on a regular basis during international live broadcasts of the first and second Bundesliga divisions since the previous financial year. Whereas fans in stadiums and viewers at home in the DACH region see the original adverts as they are presented, the stadium's existing physical advertising boards can be digitally overlaid in the broadcast signal to target different TV audiences when broadcasting matches abroad. In its second

year of use, virtual advertising increased by approximately 75.69%.

Furthermore, advertising income includes bonuses for the second-place Bundesliga finish, which directly qualified the team for the group stage of the UEFA Champions League in the 2020/2021 season, for advancing to the round of 16 of the UEFA Champions League in financial year 2019/2020 and for winning the DFL Super Cup at the beginning of the past season.

Income from TV marketing

In financial year 2019/2020, income from TV marketing once again represented the highest share of sales (38.41%) and increased by EUR 2,487 thousand year on year to EUR 169,836 thousand. Income from both domestic and international TV marketing remained virtually level. TV marketing income from domestic cup competitions rose.

Income from domestic TV marketing amounted to EUR 97,687 thousand, down EUR 423 thousand against the prior-year reporting period. This is also attributable to the outbreak of the COVID-19 pandemic.

The total distribution that DFL Deutsche Fußball Liga GmbH had originally planned would have been approximately 9.97% higher than in the previous year. The funds could not be distributed in full as planned due to the global effects of the COVID-19 pandemic, which impacted the profitability of many companies. In addition, the league's four Champions League participants forewent a portion of the distribution in a show of solidarity. Viewed as a percentage, the share of income from international TV marketing for the Bundesliga declined more sharply.

Income from international TV marketing amounted to EUR 67,420 thousand in the financial year (previous year: EUR 68,073 thousand). The decline of EUR 653 thousand is due to the lower performance bonus, since Borussia Dortmund amassed three wins and one draw in the group stage. Borussia Dortmund had one win more in the previous year. This was offset by the higher ranking of the participating clubs under UEFA's 10-year club coefficient ranking. In financial year 2019/2020, Borussia Dortmund once again

advanced to the round of 16 of the UEFA Champions League, where it was eliminated by Paris Saint-Germain in the second-leg of the tie in front of an empty stadium. At the end of the financial year, not all quarter-final spots had been filled for the 2019/2020 UEFA Champions League. The remaining quarter-finalists will be determined from mid-August.

Unlike in the previous year, Borussia Dortmund won the DFL Super Cup, its first competitive match of the current financial year. As in the previous year, Borussia Dortmund was eliminated in the third round of the DFB Cup. Income from domestic cup competitions thus amounted to EUR 4,729 thousand (previous year: EUR 1,162 thousand).

Transfer income

Income from transfer deals improved by EUR 3,528 thousand to EUR 123,732 thousand.

This was attributable to the departure of the players Maximilian Philipp to FC Dynamo Moscow, Abdou Diallo to Paris Saint-Germain, Alexander Isak to Real Sociedad, Julian Weigl to Benfica Lisbon, Paco Alcácer to Villarreal CF, Jacob Bruun Larsen to TSG Hoffenheim, Sebastian Rode to Eintracht Frankfurt and Shinji Kagawa to Real Zaragoza as well as subsequent transfer proceeds stemming from previous transfer deals. Furthermore, the players Dženis Burnić, Jeremy Toljan, Ömer Toprak, André Schürrle and Marius Wolf were loaned out.

In the previous financial year, the players Christian Pulisic transferred to Chelsea FC, Sokratis Papastathopoulos to Arsenal FC and Andriy Yarmolenko to West Ham United. These transfers also generated subsequent transfer proceeds and loan fees.

Conference, catering and miscellaneous income

Conference, catering and miscellaneous income amounted to EUR 18,010 thousand (previous year: EUR 16,972 thousand) and also included sales from advance booking fees, rental and lease income and release fees for national team players.

Conference and catering income, which comprises income generated by the hospitality areas and events,

decreased by EUR 885 thousand from EUR 3,143 thousand in the previous year to EUR 2,258 thousand. Despite the fact that the hospitality areas were completely sold out for the first twelve home matches at SIGNAL IDUNA PARK, the closure of the hospitality areas for the final five home matches meant that the Company could not match the prior-year figure.

Advance booking fees and postage amounted to EUR 1,754 thousand in the current financial year, far below the previous year's EUR 4,360 thousand. This is attributable to the temporary discontinuation of season ticket sales at the end of the financial year and the lack of advance booking fees for the final five home matches.

In the reporting period from 1 July 2019 to 30 June 2020, miscellaneous income, which includes the Evonik Football Academy, rental and lease income and BVB TV, increased by EUR 4,568 thousand to EUR 11,287 thousand. This is attributable to the club's

participation in this year's DFL Super Cup and the marketing of a four-part documentary series on Borussia Dortmund.

Despite fewer national team matches, release fees for national team players remained virtually level at EUR 2,711 thousand (previous year: EUR 2,750 thousand).

Other operating income decreased by EUR 6,816 thousand year on year to EUR 9,098 thousand. In the current financial year this included primarily income from provisions, insurance reimbursements, unclaimed refunds, reversals of write-downs and prior-period income of EUR 5,382 thousand. In addition to compensation payments and insurance reimbursements, in the previous year, this item included reversals of write-downs amounting to EUR 3,127 thousand and prior-period income of EUR 11,063 thousand, attributable primarily to the change in the accounting policy with respect to the payment of agent fees.

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Personnel expenses

In financial year 2019/2020, personnel expenses amounted to EUR 203,523 thousand (previous year: EUR 193,686 thousand).

Personnel expenses for the professional squad increased by 3.65% year on year. The increase in the base salaries amounted to EUR 9,340 thousand. Performance-based bonuses amounted to EUR 29,363 thousand and comprised annual bonuses and performance-based bonuses for playing in the group stage of the UEFA Champions League, reaching the round of 16 and automatically qualifying for the group stage of the competition in the 2020/2021 season. In the reporting period, personnel expenses related to the retail and administration areas increased by EUR 796 thousand year on year to EUR 18,303 thousand.

Personnel expenses in relation to amateur and youth football amounted to EUR 12,144 thousand during the current 2019/2020 financial year (previous year: EUR 9,200 thousand).

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs rose by EUR 14,909 thousand to EUR 105,547 thousand in the reporting period.

During the period from 1 July 2019 to 30 June 2020, intangible fixed assets – which consist primarily of Borussia Dortmund's player registrations – were amortised in the amount of EUR 93,093 thousand (previous year: EUR 70,522 thousand).

Furthermore, EUR 1,930 thousand in write-downs of intangible fixed assets to their fair values were recognised (previous year: EUR 10,476 thousand).

Depreciation and write-downs of tangible fixed assets rose from EUR 9,640 thousand to EUR 10,524 thousand. The increase in depreciation and write-downs of tangible fixed assets was attributable to investments in SIGNAL IDUNA PARK as well as the modernisation and renovation of existing areas at the training ground.

Other operating expenses

Other operating expenses increased by EUR 40,186 thousand or 26.22% from EUR 153,288 thousand in the previous year to EUR 193,474 thousand in the reporting period.

The largest increase under this item was seen in transfer deals, which rose by EUR 37,132 thousand to EUR 80,058 thousand. This item includes the derecognition of the residual carrying amounts of and sales-related costs for the players Maximilian Philipp, Abdou Diallo, Alexander Isak, Julian Weigl, Paco Alcácer, Jacob Bruun Larsen and Sebastian Rode as well as other (subsequent) transfer payments.

Expenses from match operations increased by EUR 807 thousand to EUR 49,981 thousand (previous year: EUR 49,174 thousand). The five home matches held behind closed doors at SIGNAL IDUNA PARK led to a decline in expenses for cash desks, stewards and emergency medical services and football association

dues, which are dependent on match operations. By contrast, an increase was recorded in travel expenses – due also in part to DFL Deutsche Fußball Liga GmbH's hygiene concept – and scouting-related expenses.

Advertising expenses also increased, by EUR 1,316 thousand. The rise in advertising income, especially the year-on-year increase in virtual advertising, led to an increase in commissions paid to SPORTFIVE Germany GmbH.

Administrative expenses decreased by EUR 1,755 thousand to EUR 25,094 thousand in the financial year ended. This decline was due primarily to the year-on-year decrease in performance-based expenditures and lower other travel expenses.

Other expenses increased by EUR 2,508 thousand to EUR 8,922 thousand. These primarily include valuation allowances and losses on disposals of fixed assets.

Financial result

The financial result for financial year 2019/2020 amounted to EUR 1,915 thousand (previous year: EUR 3,303 thousand) and breaks down as follows:

Income from profit and loss transfer agreements amounted to EUR 4,669 thousand. These include the results of BVB Merchandising GmbH, BVB Event & Catering GmbH, BVB Stadionmanagement GmbH and besttravel dortmund GmbH. Only BVB Merchandising

GmbH increased its prior-year profits (by more than EUR 1,217 thousand) in the face of the COVID-19 pandemic. The year-on-year deterioration in some of the results of the other companies is due mainly to the effects of the shutdown, such as the ban on events, travel restrictions and matches held without spectators.

Income from profit and loss transfer agreements

EUR '000	Net profit/loss	Net profit/loss
	01/07/2019 to 30/06/2020	01/07/2018 to 30/06/2019
BVB Stadionmanagement GmbH	63	69
besttravel Dortmund GmbH	566	948
BVB Merchandising GmbH	2,458	1,241
BVB Event & Catering GmbH	1,582	2,758
	4,669	5,016

Furthermore, interest income of EUR 180 thousand was recognised and related to entirely to compounding.

Interest expenses amounted to EUR 2,934 thousand and comprised mainly financing charges of EUR

1,452 thousand and discounting effects of EUR 1,323 thousand.

Tax on income of EUR 50 thousand were reported in the 2019/2020 financial year (previous year: EUR 1,502 thousand).

ANALYSIS OF CAPITAL STRUCTURE

As at 30 June 2020, total assets amounted to EUR 518,768 thousand, representing an increase of EUR 5,062 thousand as compared to 30 June 2019.

Fixed assets amounted to EUR 451,466 thousand, up EUR 59,712 thousand from the figure as at 30 June

2019. The additions amounted to EUR 233,476 thousand (of which EUR 227,543 thousand to intangible fixed assets) and are attributable to investments.

This was offset by disposals amounting to EUR 69,662 thousand and depreciation amounting to

BALANCE SHEET

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

ASSETS	30/06/2020		30/06/2019	
	EUR '000	Shareholding %	EUR '000	Shareholding %
A. FIXED ASSETS				
I. Intangible fixed assets				
1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	248,880	48.0	182,484	35.5
2. Prepayments	68	0.0	1,974	0.4
	248,948	48.0	184,458	35.9
II. Tangible fixed assets				
1. Land, land rights and buildings including buildings on third-party land	172,481	33.3	177,799	34.6
2. Other equipment, operating and office equipment	16,336	3.1	16,858	3.3
3. Prepayments and assets under construction	1,952	0.4	896	0.2
	190,769	36.8	195,553	38.1
III. Long-term financial assets				
1. Shares in affiliated companies	11,621	2.2	11,596	2.3
2. Equity investments	96	0.0	96	0.0
3. Other loans	32	0.0	51	0.0
	11,749	2.2	11,743	2.3
	451,466	87.0	391,754	76.3
B. CURRENT ASSETS				
I. Inventories				
Merchandise	46	0.0	46	0.0
II. Receivables and other assets				
1. Trade receivables	45,563	8.8	37,179	7.2
2. Receivables from affiliated companies	1,511	0.3	1,860	0.4
3. Other assets	1,516	0.3	1,945	0.4
	48,590	9.4	40,984	8.0
III. Cash-in-hand, bank balances	3,157	0.6	52,120	10.1
	51,793	10.0	93,150	18.1
C. PREPAID EXPENSES	15,509	3.0	28,802	5.6
	518,768	100.0	513,706	100.0

EUR 105,547 thousand. This included EUR 1,930 thousand in write-downs. Furthermore, reversals of write-downs amounting to EUR 1,632 thousand were recognised in the reporting period and presented under other operating income.

Current assets amounted to EUR 51,793 thousand, down EUR 41,357 thousand from the figure as at 30 June 2019. This change was due in particular to the decline in cash-in-hand and bank balances to EUR 3,157 thousand (previous year: EUR 52,120 thousand).

BALANCE SHEET

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EQUITY AND LIABILITIES	30/06/2020		30/06/2019	
	EUR '000	Shareholding %	EUR '000	Shareholding%
A. EQUITY				
I. Subscribed capital	92,000	17.7	92,000	17.9
less nominal value of treasury shares	-19	0.0	-19	0.0
Issued capital	91,981	17.7	91,981	17.9
II. Capital reserves	144,337	27.8	144,337	28.1
III. Revenue reserves				
1. Reserve for treasury shares	19	0.0	19	0.0
2. Other revenue reserves	147,662	28.5	127,337	24.8
	147,681	28.5	127,356	24.8
IV. Net income/net loss for the year	-49,662	-9.6	25,844	5.0
	334,337	64.4	389,518	75.8
B. PROVISIONS				
1. Provisions for taxes	36	0.0	807	0.1
2. Other provisions	8,150	1.6	12,165	2.4
	8,186	1.6	12,972	2.5
C. LIABILITIES				
1. Liabilities to banks	8,031	1.5	0	0.0
2. Trade payables	135,122	26.0	60,602	11.8
3. Liabilities to affiliated companies	4,719	0.9	461	0.1
4. Other liabilities	24,675	4.8	25,031	4.9
of which from taxes: EUR 9,870 thousand (previous year: EUR 7,973 thousand)				
of which in relation to social security: EUR 35 thousand (previous year: EUR 36 thousand)				
	172,547	33.2	86,094	16.8
D. DEFERRED INCOME	3,698	0.8	25,122	4.9
	518,768	100.0	513,706	100.0

Trade receivables increased year on year by EUR 8,384 thousand to EUR 45,563 thousand. The increase is due primarily to outstanding receivables from domestic and international TV marketing and sponsoring agreements.

Prepaid expenses decreased by EUR 13,293 thousand to EUR 15,509 thousand in the reporting period. This is attributable mainly to the change in the accounting policy with respect to prepaid personnel expenses.

Share capital remained level at EUR 92,000 thousand as at 30 June 2020.

Taking into account net income for the year, Borussia Dortmund's equity amounted to EUR 334,337 thousand as at 30 June 2020. This corresponds to an equity ratio of 64.45% (previous year: 75.83%).

The decline in equity is due to the net loss for the year of EUR 49,662 thousand.

Provisions declined by a total of EUR 4,786 thousand to EUR 8,186 thousand (previous year: EUR 12,972 thousand), of which other provisions decreased by EUR 4,015 thousand to EUR 8,150 thousand; this is due primarily to the decline in staff-related provisions and the reversal of a provision for litigation and liability risks relating legal proceedings from EUR 1,671 thousand to EUR 0 thousand as at 30 June 2020.

Tax provisions decreased by EUR 771 thousand to EUR 36 thousand.

Liabilities increased by a total of EUR 86,453 thousand to EUR 172,547 thousand.

Trade payables rose by EUR 74,520 thousand to EUR 135,122 thousand (previous year: EUR 60,602 thousand), due primarily to transfer liabilities. Liabilities to affiliated companies (EUR 4,719 thousand) also exceeded the previous year's figure of EUR 461 thousand.

By contrast, other liabilities decreased by EUR 356 thousand to EUR 24,675 thousand. Liabilities to banks of EUR 8,031 thousand were reported at the balance sheet date.

Deferred income decreased by EUR 21,424 thousand to EUR 3,698 thousand, which was due primarily to the discontinuation of season ticket sales for the 2020/2021 season.

ANALYSIS OF CAPITAL EXPENDITURE

In the past financial year, Borussia Dortmund invested EUR 153,469 thousand in intangible fixed assets. This amount was invested almost entirely in the player base.

Cash payments for tangible fixed assets during the same period amounted to EUR 6,959 thousand and primarily include investments in the Brackel training ground in connection with the project to expand BVB's training centre, the catering areas and SIGNAL IDUNA PARK's security infrastructure.

The focus of future investments will firstly continue to be on the project to expand BVB's training centre. The training ground and the youth academy will be expanded over several phases until 2022. This involved acquiring further adjacent land and opening a new fitness area. Other steps are currently being implemented.

Secondly, Borussia Dortmund is currently designing its new fan and youth centre which will be located on the Strobelallee. The centre will offer a variety of programmes intended above all to improve communication with the fans and to establish it as a type of community centre for fans.

There are also plans to further develop and expand the infrastructure and the areas in and around SIGNAL IDUNA PARK.

ANALYSIS OF LIQUIDITY

As at 30 June 2020, Borussia Dortmund held unrestricted cash funds of EUR 3,157 thousand.

Borussia Dortmund also had access to an additional EUR 60,000 thousand in overdraft facilities, some of which had been drawn down as at the balance sheet date.

Cash flows from operating activities amounted to EUR 111,654 thousand and are calculated as follows:

EUR '000	2019/2020	2018/2019
Net income/net loss for the period	-49,662	25,844
Depreciation, amortisation and write-downs/reversals of write-downs of fixed assets	103,915	87,511
Non-cash expenses and income	65,665	9,451
Increase/decrease in provisions	-5,141	-3,580
Interest expense	2,934	2,716
Interest income	-180	-1,003
Income tax expense	50	1,502
Loss on disposal of fixed assets	106	14
Decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	5,687	21,759
Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	-12,025	2,312
Income taxes paid	305	-2,834
Cash flows from operating activities	111,654	143,692

NET ASSETS

Borussia Dortmund's total assets increased from EUR 513,706 thousand to EUR 518,768 thousand. Fixed assets increased by EUR 59,712 thousand, due in particular to investments in player registrations. Trade and other financial receivables increased by EUR 7,606 thousand to EUR 48,590 thousand as at the balance sheet date.

In addition to prepayments for other services, prepaid expenses primarily include future personnel expenses amounting to EUR 11,315 thousand, which declined by EUR 13,052 thousand from EUR 24,367 thousand in the previous year due to the change in the accounting policy with respect to prepaid personnel expenses.

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT

Borussia Dortmund ended the 2019/2020 financial year with a net loss for the year of EUR 49,662 thousand.

Taking into account the net loss for the year, the equity ratio is calculated at 64.45%. As at 30 June 2020, Borussia Dortmund held unrestricted cash funds of EUR 3,157 thousand. As at the balance sheet date, Borussia Dortmund had access to an additional EUR 60,000 thousand in overdraft facilities, some of which had been drawn down.

Due to the Bundesliga's suspension and subsequent resumption of match operations behind closed doors on account of the COVID-19 pandemic, Borussia Dortmund recorded declines in nearly all sales categories. Consequently, business development during financial year 2019/2020 was not satisfactory.

REMUNERATION REPORT

The structure of the management remuneration system is defined and regularly reviewed by the Executive Committee of the Advisory Board. The Executive Committee of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH is also responsible for setting the remuneration of the individual executives and for defining the appropriate amount of remuneration. The appropriate remuneration level is defined in particular on the basis of the specific executive's responsibilities and performance, as well as on the basis of Borussia Dortmund's financial position, performance and future prospects.

Executive remuneration consists of two components: a fixed amount and a variable component. The fixed component is stipulated by contract, takes into account the sporting success achieved and is paid out in twelve equal monthly instalments. The variable component is based on the business trend and is dependent on net income for the year before tax and the managing directors' remuneration. Any

additional non-cash or ancillary benefits granted relate primarily to insurance benefits at standard market conditions and the provision of a company car. The Company does not offer any stock option plans or similar incentive plans. The remuneration components provided are reasonable both in and of themselves and taken as a whole (see Note 34 to the consolidated financial statements).

Remuneration of the Supervisory Board is governed by Article 13 of the Articles of Association, pursuant to which each member of the Supervisory Board receives fixed remuneration amounting to EUR 24 thousand; the Chairman receives twice that amount and the Deputy Chairman one and a half times that amount. Value added tax is reimbursed to the members of the Supervisory Board.

The disclosures required by § 285 no. 9 HGB are included in the notes to the financial statements under the section entitled "General partner".

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE ACCOUNTING PROCESS

The key features of the accounting process-related internal control and risk management system employed by Borussia Dortmund can be described as follows:

- Borussia Dortmund distinguishes itself through its clear organisational and corporate structures as well as its control and monitoring structures.
- The internal control and risk management systems as they relate to the accounting process form an integral part of operational and strategic planning processes.
- Responsibilities have been clearly assigned in all areas of the accounting process (such as financial accounting and management cost accounting).
- Reporting is carried out in monthly, quarterly, semi-annual and annual intervals, whereby a distinction is made between matters requiring immediate action by the Company and those involving Company strategy.
- The computer systems used in accounting are protected against unauthorised access.
- An adequate system of internal guidelines has been established and is updated as needed.
- The departments involved in the accounting process fulfil quantitative and qualitative requirements.
- The completeness and accuracy of the accounting data is checked regularly by reviewing samples and conducting plausibility tests, both manually and by means of software employed for this purpose.
- The principle of dual control is adhered to at all points in the Company's accounting-related processes.
- The management receives reports at scheduled intervals throughout the process or more frequently if necessary.
- The Supervisory Board deals with the key accounting issues, risk management and the audit assignment, among other things.

The accounting process-related internal control and risk management system, the key features of which are described above, ensures that transactions can be correctly recorded, prepared and accounted for in the financial statements.

OPPORTUNITY AND RISK REPORT

RISK MANAGEMENT

Borussia Dortmund's divisions are exposed to a wide variety of risks that are inseparably linked to the conduct of business.

The sections below focus on possible future developments or events which could cause Borussia Dortmund to perform either better than expected (opportunities) or worse than expected (risks). The respective impact of opportunities and risks are generally presented separately and are not offset against one other. Generally speaking, risks and opportunities are assessed over a mid-length term of two years. All risks of loss to which the Company is exposed (individual and cumulative risks) are monitored and managed within the risk management system.

The consolidated group for risk management purposes is identical to the consolidated group in the consolidated financial statements.

A functioning control and monitoring system is essential for identifying risks early and for assessing and counteracting them. It is the responsibility of the internal risk management system to monitor and control such potential risks.

The risk management system is based on principles and guidelines laid out by the management. These principles and guidelines are designed to facilitate the early identification of any irregularities so that appropriate countermeasures can be taken immediately. In order to ensure the highest possible level of transparency, risk management has been incorporated into the organisational structure of the Group as a whole. All departments and divisions are required to immediately report any market-relevant changes in the risk portfolio to the management. The risk management system is also an integral component of the overarching planning, steering and reporting process.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile.

This ensures that the Company's decision-makers have adequate flexibility to be able to monitor and manage risks.

This year, the risk inventory procedure implemented with the objective of cataloguing and assessing all risks has again proven effective as a management tool. Risks are identified, discussed and reviewed in consideration of current circumstances in one-on-one meetings or plenary sessions in order to assess the current likelihood of their occurring and their potential consequences.

Each risk is given a qualitative rating of between 1 and 4, with 1 indicating a low level of risk and 4 indicating a very high level of risk.

A risk impact assessment is carried out both before and after the identification and development of countermeasures to reduce the risk. The risk impact assessments are weighted before and after countermeasures based on a ratio of 1:2, with weighting prioritising the probability and consequences of each risk after countermeasures take effect. In mathematical terms, the risk impact assessment (before countermeasures) is derived by adding the probability of the risk and its consequences before countermeasures, while the assessment (after countermeasures) is derived by adding the probability of the risk and its consequences, and multiplying this figure by two.

Example

Before countermeasures:			
Probability	2	2+3=5	5
Consequences	3		
After countermeasures:			
Probability	1	(1+2)x2=6	6
Consequences	2		
TOTAL			11

If the assessment of an individual risk falls within the top third of the scale (a score of 17 to 24), Borussia Dortmund classifies it as a high-priority risk. Particular attention is paid to such risks, since they are capable of having a material adverse and long-term effect on the Company's assets, liabilities, financial position and profit or loss. There are currently 23 (previous year: 19) risks that are classified as high priority.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile.

This ensures that the Company's decision-makers have adequate flexibility to be able to monitor and manage risks.

Categorisation of risks

In accordance with the recommendations under German Accounting Standard DRS 20, and to ensure ease of reference, Borussia Dortmund divides its risks into main categories. The nine defined main categories (strategic risk, personnel risk, macroeconomic risk, competitive risk, liquidity risk, interest rate risk, credit risk, resources risk and ecological risk) are presented and explained in greater detail below.

All 62 risks that could have a direct impact on the Company fall within these categories. In addition to the 61 risks in the previous year, one new risk was added.

Five new risks (change in income from TV marketing, bad debts due to insolvency, maintaining liquidity, interruptions to match operations, and outbreak of epidemics/pandemics) were added to the 19 risks that had been classified as high-priority in the past period. After reassessing the risk of being relegated, this risk is no longer classified as a high-priority risk. No risks were removed.

Further to the notes on opportunities and risks in the 2018/2019 Annual Report, the focus during the current reporting period (financial year 2019/2020) was primarily on the impact of the COVID-19 pandemic.

In addition to the health risks and the obligation to protect the health of the employees, the strict regulations and restrictions on public life imposed by the federal and state governments have severely impacted the global economy, including the football sector and with it Borussia Dortmund. Therefore, Borussia Dortmund has classified the outbreak of epidemics/pandemics as a new, stand-alone high-priority risk. Previously, this risk was included in the risk of interruptions to match operations. This is no longer appropriate given the risk's profound impact and it has therefore been classified as a stand-alone individual risk.

The high-priority risk of an outbreak of epidemics/pandemics also greatly affects nearly all of the existing risk categories, primarily:

- Strategic risk
- Personnel risk
- Competitive risk
- Macroeconomic risk
- Liquidity risk.

The following is a discussion of the 23 high-priority risks in their respective categories.

Category 1 – strategic risk

We define strategic risk as risk arising from incorrect business decisions, poor implementation of decisions or the inability to adapt to changes in the corporate environment. Strategic risk also arises from unexpected changes in market conditions and the environment in which the Company operates, which bring with them negative consequences for the Company's assets, liabilities, financial position and profit or loss.

This category includes three high-priority risks:

The risk that financial planning is dependent on sporting success describes the risk that failing to achieve planned sporting objectives could lead to a lack of adequate income or proceeds. To account for any and all developments both on and off the pitch, the Company revises and updates its longstanding financial and liquidity planning at least three times per year based on the latest premises. In addition to the income statement and the balance sheet, this also includes the development of Borussia Dortmund's liquidity. It allows the management to monitor the current and future financial position of the Company at all times and to take any necessary action. Due to developments with regard to income from international TV marketing in particular, the amount that a club is certain to receive for a given subsequent season varies greatly from a second-place finish to a seventh-place finish in the Bundesliga. Qualifying for the UEFA Champions League guarantees much higher proceeds than qualifying for the UEFA Europa League, let alone if the team fails to qualify for any international competition at all. The objective of a corresponding worst case scenario is not to predict the future but rather to provide an overview of various contingencies and their effects and to better assist the management in its strategic planning.

Share price performance describes the performance of a security, an index, shares or a portfolio, but also the performance of the management of an investment fund with respect to its investment objectives. The Group is very conscious of the risk

associated with the performance of Borussia Dortmund's shares and continually analyses the Company's value on the capital market and the consequences of it being undervalued. A key component of this risk is the impact of these factors on potential corporate action in the future and the Company's appeal to business partners. This risk is countered through continual communication with the capital market. The shares have been listed on the Prime Standard segment of the Frankfurt Stock Exchange since May 2014 and are also admitted to trading on the SDAX. During the current financial year, Borussia Dortmund again held several roadshows in Europe and the United States, either on site or via conference call on account of the COVID-19 pandemic, in an effort to keep existing investors up to date and bring any prospective investors on board.

Borussia Dortmund considers the third risk in this category to be the risk of conflicting goals of sporting and commercial success. It is important that Borussia Dortmund continues to pursue balanced business policies with the aim of ensuring that the club remains competitive and also focussed on meeting the Group's performance indicators. Borussia Dortmund will continue to avoid financial risks that could arise on account of uncertain sporting successes. As in previous years, Borussia Dortmund further counters this risk by setting strict budgets for the individual divisions and undertaking corporate planning on a revolving basis using various planning scenarios. Furthermore, the Company also uses planning scenarios to calculate various earnings and liquidity effects potentially presenting additional opportunities for financial investment or shortfalls. Balancing the need to remain competitive on the pitch with the need for economic stability and success, while simultaneously taking into account the corresponding countermeasures that have already been taken to reduce the likelihood of the risk from occurring, is of fundamental importance, especially in exceptional circumstances such as the

current COVID-19 crisis. Various planning scenarios were calculated specifically during the COVID-19 crisis. The conclusion of long-term, strategic, and in some cases new agreements with Evonik Industries AG (primary sponsor) and the new second primary sponsor 1&1, PUMA International Sports Marketing B.V. (new agreement until 2028), SIGNAL IDUNA Krankenversicherung a. G. and Opel Automobile GmbH ensures planning security and continuity.

Category 2 – personnel risk

The importance of human resources to companies is growing. The Company's success is largely dependent on the commitment, motivation and skills of both its sporting personnel and managerial/administrative staff.

This category currently includes three high-priority risks:

Protecting confidential information is a subject that remains in the public eye. Never before has data protection posed so many challenges. In particular, the increasing internationalisation of day-to-day business operations necessitates a detailed understanding of the respective data protection regulations applicable in individual countries. In addition, technical progress harbours many pitfalls, especially in relation to online data. Hackers stepped up their attacks in recent years, releasing the personal data of politicians, celebrities and others. Action has to be taken to prevent the unauthorised access and manipulation of data. Confidential data that is processed, transferred or stored online must be encrypted. The data should remain encrypted and protected even if the online application is compromised. The IT security officers, the heads of the individual application areas and the data protection officers are responsible for initiating the data; the developers and administrators are responsible for implementation.

An external service provider was engaged to raise employee awareness of data protection issues and to prevent potential violations.

The risk of periods during which professional players are unable to play (rest periods) can have a major impact on the Company's success, because they mean that team managers are unable to play the best possible team for the entire season, putting sporting goals in jeopardy. The absence of key players in particular is often difficult to compensate for. The reasons for rest periods include personal match bans, injury, excessive stress or a COVID-19 virus infection. The systematic implementation of DFL's hygiene concept minimises the risk that the professional squad and the coaching and support staff will contract the COVID-19 virus. We deliberately ensure that back-ups are available for every position within the squad so that we can absorb the absence of any individual player.

There continues to be a risk of travel and other accidents and terrorist attacks in the world of sport; therefore, Borussia Dortmund continues to classify this risk as high priority.

Category 3 – macroeconomic risk

Macroeconomic risk arises as a result of Borussia Dortmund's dependence on general economic and political developments.

There are currently six high-priority risks that fall under macroeconomic risks:

Previously, the risk of an outbreak of epidemics/pandemics was included in the risk of interruptions to match operations. In order to account for the gravity of the risk, the risk of an outbreak of epidemics/pandemics was classified as a new, stand-alone high-priority risk.

An epidemic is when a disease spreads unusually quickly in a certain region in a short period of time. A pandemic is an epidemic that spreads beyond the borders of a particular country or even continent.

Aside from the health consequences, the COVID-19 crisis has thus far particularly impacted Borussia Dortmund's sales categories. This year's income

from TV marketing was lower than budgeted. Approximately EUR 4.4 billion in total will be distributed to the clubs in the first and second Bundesliga divisions over the course of the next four seasons (2021/2022–2024/2025), provided match operations will be held. In addition to the losses with respect to TV marketing, no income was generated from ticket sales for the remaining five home matches after match operations were resumed, and any income already received from season or match day tickets was refunded. The same applied to any VIP/hospitality income. At this time it is not yet clear when income will again be generated from ticket sales in the coming season. Due to the lack of match operations and the closure of SIGNAL IDUNA PARK, the income from catering on match days and from stadium tours and events was completely eliminated; this also temporarily affected the sales at the fan shops. The COVID-19 crisis, and the matches played behind closed doors as a result, have also led to declining proceeds from sponsors. Due to the economic slump, it may be difficult to adequately replace all of the advertising agreements that are set to expire. Consequently, advertising income is expected to be lower in the coming season. In line with the tense global economic situation, the transfer market will (probably) also cool off. While Borussia Dortmund cannot rule out that transfer proceeds for players will (temporarily) decline in coming transfer windows, it still expects opportunities to obtain high transfer proceeds for players in individual cases.

Borussia Dortmund has classified unfavourable macroeconomic developments, particularly high unemployment and slow economic growth or an economic downturn, as a further risk in this category.

In light of the severe effects of the COVID-19 pandemic, the Hamburg Institute of International Economics (HWWI) has revised its 2020/2021 economic forecast for Germany. The entire global economy will be severely impacted by the crisis.

The German economy has slipped into a deep recession as restrictions were placed on global economic relationships and protective measures enforced in Germany. Economic activity in many industries and sectors was severely curbed or even brought to a standstill in the spring. How quickly the economy will recover depends in particular on the further course of the pandemic.

The risk of right-wing extremism is a societal risk that continues to increase. Borussia Dortmund continues to stand firmly against right-wing extremism and discrimination. Borussia Dortmund counters this risk through prevention efforts and disciplinary action, acting in concert with a broad network of cooperation partners. By clearly speaking out against racism and discrimination as well as by working to combat right-wing attitudes and hate speech and to ensure that the lessons of the past are never forgotten, Borussia Dortmund will continue to fulfil its social responsibility by ensuring that the atmosphere in and outside the stadium is welcoming, cosmopolitan and diverse.

The increased willingness of certain individuals to commit violence and defame and insult others at stadiums is a risk that will continue to require the utmost attention. Fan violence remained an important issue during reporting period.

Prevention efforts and security plans ensured that potentially violent groups were identified in advance, helping to prevent altercations to the greatest extent possible. Borussia Dortmund will continue to counter this risk with enhanced security checks, camera surveillance, stadium bans and criminal complaints. Additional stadium safety measures will continue to include specific structural changes to entrances going forward.

In connection with the dispute about who should cover the costs of providing security at home matches, the clubs of the first and second Bundesliga divisions voted on 3 December 2019 that the costs incurred by the Bremen police should be

borne in full by SV Werder Bremen. The clubs also resolved that SV Werder Bremen could defer a partial amount of 50% until a final ruling on the legal dispute was issued by the Federal Constitutional Court, and to reject a fund model of any kind. Passing these costs on to the Bundesliga clubs would present an earnings and liquidity risk for those clubs, Borussia Dortmund included.

The categorisation of social media activities as a high-priority risk reflects the fact that new technologies not only have potential for development, but also harbour risk potential. Social media is no longer used solely for communicating with fans and followers, but increasingly also serves as an advertising platform for marketing and sponsoring-related activities. In order to safeguard the Company's image and prevent the unauthorised disclosure of internal information, all Borussia Dortmund employees must adhere to the Company's social media guidelines.

Category 4 – competitive risk

Competitive risk relates to factors stemming from competition in the domestic and international professional football business.

Borussia Dortmund last played in the second Bundesliga division between 1972 and 1976. The most recent time Borussia Dortmund was stuck in the relegation zone was during the winter break of the 2014/2015 season. Without exception, Borussia Dortmund has qualified for international cup competitions every year since the 2009/2010 season.

Consequently, the risk of being relegated to the second Bundesliga is no longer classified as a high-priority risk.

This category includes seven high-priority risks:

Interruptions to match operations can have immense economic ramifications because nearly all of Borussia Dortmund's sales categories are dependent

on or influenced by match operations. Accordingly, this risk is now classified as a high-priority risk. The temporary suspension of match operations due to the COVID-19 pandemic during the 2019/2020 season has underscored how economically dependent the club is on a trouble-free season. The 2019/2020 season was completed thanks to the systematic implementation of DFL's hygiene concept.

The change in income from TV marketing has also been classified as a new high-priority risk in the wake of the COVID-19 crisis. After DFL Deutsche Fußball Liga's auctions for TV rights led to a steady rise in income from TV marketing in recent years, the COVID-19 crisis meant that this year's auction for the 2021/2022 to 2024/2025 seasons did not bring as much income for the clubs of the first and second Bundesliga divisions as in previous rights periods; in total, EUR 4.4 billion will be distributed in the coming four years.

Since the future instalments of TV marketing income to be paid by DFL Deutsche Fußball Liga to the clubs depend on how the COVID-19 pandemic develops and whether the clubs can continue to play in the coming season, this income, which makes up a significant share of sales, is subject to uncertainty.

According to UEFA, Financial Fair Play is about improving the overall financial health of European club football. The regulations first entered into force in 2011 and serve as a catalogue of measures for clubs competing in UEFA's international club competitions. Clubs in breach of the regulations face penalties up to and including bans. In practice, Financial Fair Play governs the ratio of revenue to expenditures. The risk of failing to comply with the Financial Fair Play rules and potential exclusion from international competitions or potential financial sanctions would have serious financial consequences for Borussia Dortmund. The distribution amounts from UEFA's TV marketing agreement that went into force in the 2018/2019 season, underscores the importance of both qualifying and obtaining the requisite licences for international club competitions.

To minimise this risk therefore, compliance with the relevant requirements and target/actual comparisons are constantly reviewed. Several European clubs have already been disciplined and banned from international competitions for violating Financial Fair Play rules. In connection with the COVID-19 crisis, UEFA relaxed several of its rules governing licensed players for its club competitions in the 2020/2021 season.

As past experience has demonstrated, the risk of key players switching clubs can materialise at any time at Borussia Dortmund. The departure of key players who are part of the club's future plans would not only weaken the team at certain positions, but also as a whole. Even if success rarely rests on the shoulders of any single player, any unexpected departures would leave holes in the roster that would need to be filled at short notice with players of equal quality. In an attempt to mitigate the sporting consequences of key players switching clubs, Borussia Dortmund plans its roster well in advance, including by binding players to long-term contracts, uses its high transfer proceeds to reinvest in the squad and employs a wide network of scouts.

The further risk in this category is the risk of a potential stadium catastrophe. Stadium catastrophes can include fire, stampedes, potential terrorist attacks or other acts of violence. Going forward, the Company will continue to regularly assess the quality and reliability of security staff and specifically train them in the prevention of catastrophes. Structural improvements to SIGNAL IDUNA PARK for the purposes of enhancing security, safeguarding and monitoring the access roads, and safeguarding the property during visits on non-match days are just some of the countermeasures currently being implemented by the club's Security department to provide security at the stadium.

Borussia Dortmund uses the summer break each year to invest in SIGNAL IDUNA PARK as well as for

construction work and refurbishments. The stadium has been expanded three times since opening in 1974 with a capacity of 54,000. The continual repair and maintenance work – the paramount focus of which is always structural integrity and safety – ensures that the stadium meets the latest standards in terms of safety, security and comfort. Compared to many other Bundesliga stadiums that were constructed for the 2006 World Cup, SIGNAL IDUNA PARK is one of the league's oldest stadiums in use. Given that Borussia Dortmund regularly invests large sums in SIGNAL IDUNA PARK and in light of the increasing requirements applicable to stadiums, including with respect to spectator safety, the club has classified capital expenditures needed for SIGNAL IDUNA PARK as a high-priority risk.

The risk of consequential damage arising from mining, which also affects SIGNAL IDUNA PARK, represents another high-priority risk. Coal mining has ceased in Germany. While the memories remain, so do the pitfalls, because the effects of mining never fully disappear. Hardly any other federal state is faced with as many sinkholes as North Rhine-Westphalia. The state has some 60,000 abandoned mining shafts and tunnels. The exact number is not known because mining in the region dates back to the Middle Ages. Only half of all pits and tunnels have been recorded.

Borussia Dortmund uses the properties adjacent to SIGNAL IDUNA PARK for car parks or to store products and equipment needed for match operations. The southwest container and logistics area is located on land with uncertain topography, which is why sinkholes and similar subsidence cannot be ruled out. An external service provider was recently engaged to determine to what extent geogrids (instead of fill dirt) could possibly be used to sufficiently reinforce the areas in question. Geogrids help among other things to stabilise the subsoil during construction. They reinforce loose mineral layers such as sand and soil. Geogrids distribute static loads across a large area of the subsoil. The aim is to increase or establish

load-bearing capacity and to prevent significant subsidence at isolated points without the need for costly and time-consuming efforts to replace the soil with materials with higher load-bearing capacities.

Category 5 – liquidity risk

Liquidity risks include all risks in connection with cash flows and financial burdens.

This category includes four high-priority risks:

The loss of significant financial backers and sponsors due to insolvency could also have a material adverse effect on Borussia Dortmund's liquidity in the future. Greater attention is being placed on the potential loss of significant financial backers and sponsors and the introduction of corresponding countermeasures precisely because of the current COVID-19 crisis and the associated adverse economic consequences for the German and global economy. Borussia Dortmund continuously revises its longstanding accounts receivable management system in line with the prevailing conditions and increasing globalisation. The club also reviewed and implemented other risk mitigation measures such as introducing upfront payments or changing payment terms. Borussia Dortmund is also in close contact with its customers and its sponsoring marketing firm SPORTFIVE Germany GmbH.

At present, it is difficult to forecast and remains to be seen how open companies will be to becoming sponsors in the near term during and after the COVID-19 crisis.

In the wake of the COVID-19 crisis, the risk of bad debts due to insolvency has been classified as a new high-priority risk.

Economists expect that the COVID-19 crisis will lead to one of the sharpest economic declines in Germany and the world in the post-war era. This will also impact the solvency of companies and football clubs alike. Borussia Dortmund anticipates that problems could arise with regard to transfer receivables. The primary objective continues to be

keeping bad debts to a minimum and to ensure that the Company has the liquidity it needs at all times. That is why following through on action already taken is all the more important. Dunning procedures are particularly vital in this respect. Furthermore, additional action was taken to ensure liquidity and counter any potential bad debts.

Borussia Dortmund places utmost importance on maintaining its liquidity and, after reassessing its risks following the outbreak of the COVID-19 pandemic, has therefore classified the risk associated with this as another high-priority risk. The financial and liquidity planning apparatus that has been in place for many years considers a variety of scenarios and different premises, and is regularly adjusted to account for current conditions. A wide variety of scenarios were calculated, particularly during the course of the COVID-19 pandemic, to identify any liquidity bottlenecks early and to initiate appropriate countermeasures designed to secure liquidity.

In order to keep the risk associated with the volume of player salaries as low as possible, the club budgets personnel expenses with transfer deals in mind at the beginning of each season. The primary focus is on the fixed components of the players' remuneration, since these are independent of the team's performance during a given season. Variable remuneration components are also considered when planning the budget, but generally only apply once certain sporting objectives are achieved that in turn generate additional income. The personnel expenses incurred are continuously monitored, extrapolated on the basis of current circumstances, and reported to the management.

The Group is not presently exposed to any high-priority risks in the **interest rate risk, credit risk, resources risk and ecological risk** categories.

OPPORTUNITIES

By once again directly qualifying for the UEFA Champions League, the club again has the opportunity to consolidate its standing as one of Europe's top teams and to once more share in the profits distributed for participating in the lucrative competition.

Borussia Dortmund's approach to its squad is one of continuity. Lucien Favre enters his third season as head coach of Borussia Dortmund, having steered the team to two second-place league finishes in a row. Head coach Lucien Favre, sporting director Michael Zorc, Sebastian Kehl as Head of the Professional Squad and Matthias Sammer as an external advisor further strengthened their partnership, working together more closely to identify additional areas for improvement and change. The squad continued to grow together as a team and achieved greater balance, especially in the second half of the 2019/2020 season. This was helped in part by winter signings Emre Can and Erling Braut Haaland, who had no problems integrating into the team and immediately had a positive impact on their teammates. For the coming season, Borussia Dortmund signed Thomas Meunier, an experienced defender who is expected to help bring the young squad to the next level with his maturity, and Jude Bellingham, a young, up-and-coming highly-talented player with enormous potential who is expected to steadily further his development at Borussia

Dortmund. The healthy mix of grit, leadership and young ambition as well as consistency with regard to the management of the squad is expected to help the team unlock its full potential and achieve the greatest possible success on the pitch.

Borussia Dortmund has an excellent team, a fact that is not lost on other top European clubs. Accordingly, there is always the possibility of lucrative transfers.

Borussia Dortmund sees further potential in its youth setup, where it lays the foundation for its sporting success. To this end, the club added new offices for the sports management team at the Brackel training ground. This investment will help to further consolidate all the areas under the direction of the Sports department. Borussia Dortmund hopes the direct proximity to the training ground will help it work with greater efficiency and purpose and further optimise its pipeline of talented youngsters for the senior team. In the past season, Giovanni Reyna, another one of the club's youth standouts, made the jump to the senior side and helped the team with his youthful exuberance. Other talented youngsters are also set to make the senior team.

Borussia Dortmund maintains close and longstanding partnerships with its sponsors. During times of crises, this continuity was also a reflection of the close and trusting relationships.

These good relationships built on trust and the solidarity displayed during crises also provide planning security. Borussia Dortmund also believes it has good opportunities to adequately replace sponsoring agreements that are set to expire by leveraging its appeal to sign lucrative new contracts.

Since personal contact has been severely restricted during the COVID-19 pandemic, communicating digitally with fans is more important than ever. New digital formats were and will be created for this reason. This increased focus on digital communications affords us the opportunity to strengthen the bonds our fans have with the club despite not being able to attend matches, and to grow Borussia Dortmund's fan base.

OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES

With regard to the risks discussed in this report and the review of the overall risk position, no risks were identified in the financial year under review that could lead to a permanent or material deterioration in the financial position or financial performance of either the Group or its individual companies.

Thanks to its risk management system, Borussia Dortmund is in a position to comply with the statutory provisions on control and transparency in the Company.

A review of the risk situation revealed that none of the individual risks defined within the risk areas jeopardise the continued existence of Borussia Dortmund.

REPORT ON EXPECTED DEVELOPMENTS

EXPECTED DEVELOPMENT OF THE COMPANY

Borussia Dortmund finished the 2019/2020 season in second place with 69 points, qualifying directly for the lucrative group stage of the UEFA Champions League in the coming season. Borussia Dortmund has thus qualified for an international

cup competition for the eleventh time in a row since the 2010/2011 season.

Borussia Dortmund will face FC Bayern Munich in this year's DFL Super Cup on 30 September 2020.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

The summary of the expected general economic environment is dominated by the effects of the COVID-19 pandemic. The strict lockdown measures enacted in recent weeks are currently being steadily eased.

Essentially, the basis for all pending decisions is the fight against the COVID-19 pandemic. Thus, as far as professional football is concerned, it is important that the associations remain in regular contact with the health authorities. A coordination group with representatives from DFL, DFB and the state associations was formed for this purpose.

DFL Deutsche Fußball Liga GmbH took the postponed final of the UEFA Champions League and Bundesliga relegation matches into account when it drew up the fixture schedule for the 2020/2021 season. The season is scheduled to kick off on 18 September 2020.

Income from match operations are directly tied to allowing spectators to visit SIGNAL IDUNA PARK.

As things currently stand, the ban on major events only runs until 31 August 2020, making it conceivable that the new Bundesliga season could kick off with limited numbers of spectators. DFL Deutsche Fußball Liga GmbH has issued guidelines with which the conditions can be met to allow spectators in SIGNAL IDUNA PARK. Thus, Borussia Dortmund is in regular contact with DFL Deutsche

Fußball Liga GmbH to discuss how sections of the stadium can once again be opened to spectators.

Since selling out stadiums is currently not feasible and any easing of restrictions will always be conditional on static or falling rates of infection, earnings forecasts in this regard are dominated by severe losses and uncertainty.

Commercially successful professional football operations are no longer limited to just regional or national levels. The team's success in these competitions is very much a focus in all plans. Qualifying for the group stage of the UEFA Champions League continues to place Borussia Dortmund in a better financial position. Playing and delivering positive performances in the competition not only generates income, it can also widen the club's media and brand coverage, which promotes the club's interaction with existing fans and encourages others to begin following Borussia Dortmund. The club intends to promote these effects with a progressive internationalisation strategy that is regularly tailored to current trends. In light of this, Borussia Dortmund aims to further expand and professionalise its digital presence. Borussia Dortmund thereby responds to social trends and to a large degree leverages the attractiveness of the Borussia Dortmund brand. The growing international awareness of the brand that this gives rise to allows the club to tap foreign markets.

In the 2020/2021 season, Borussia Dortmund once again marketed its virtual advertising boards. SIGNAL IDUNA PARK's advertising boards can be digitally overlaid in the broadcast signal to target the respective TV audiences when broadcasting matches abroad. In times when matches are held behind closed doors or only in front of a very small number of spectators, this technology allows sponsors abroad to be targeted on an individual basis. For Borussia Dortmund's international partners in particular, this is an attractive and increasingly popular way to reach their customers worldwide.

Despite the economic setbacks in the first half of the 2020 calendar year and the forecast exacerbation of the global economic slump, professional football, particularly in Germany, has not lost any of its appeal. As such, Borussia Dortmund will also operate in a demanding market and competitive environment in the coming season.

Particular focus will be placed on income from TV marketing in connection with the expected general economic environment.

DFL Deutsche Fußball Liga GmbH has informed the clubs of the first and second Bundesliga divisions about the expected distribution volume for the 2020/2021 season. Since any further developments cannot be reliably assessed at present due to the COVID-19 pandemic, the DFL Executive Committee decided to withhold a portion of the distribution as security for the time being. Despite the reductions, the announced disbursements of the TV funds will allow for a good degree of planning.

Despite the significant influence of the COVID-19 pandemic, DFL Deutsche Fußball Liga GmbH once again sold the media rights for the DACH region for the 2021/2022 season onwards for approximately EUR 1.1 billion. Sky Germany secured the rights to all live broadcasts on Saturdays, while DAZN will broadcast matches on Fridays and Sundays. Football will also return to free-to-air TV after a

17-year hiatus, with ProSieben/Sat1 acquiring the rights to a total of nine live matches. Even though the agreement fell short of expectations with a decline in volume of around 5%, in these uncertain times it represents an excellent economic foundation for the coming seasons.

After marketing activities at the stadium temporarily came to a complete halt, stadium tours were resumed on 1 July 2020. Visitors can take these self-guided tours using their own smartphones and headphones. Hospitality events have also resumed; however the number of participants has been reduced significantly and visitors must comply the hygiene guidelines.

Since policy-makers will continue to set the precedents in this regard, this sales item is also expected to decrease until further notice.

Transfer deals are an important part of Borussia Dortmund's business and, as in previous years, represent a significant source of income. However, in view of the developments in the economic environment, Borussia Dortmund on principle only takes transfer income into limited account in its planning. The transfer policy nevertheless presents significant opportunities to generate substantial income. Consequently, transfer deals are always assessed against the background of the current season. High transfer sums often go hand in hand with a drop in quality within the team, but it cannot be ruled out that value-driven transfers will be concluded contrary to the Company's sporting interests. Given Borussia Dortmund's sustained success, its players are increasingly piquing the interest of other top clubs.

The COVID-19 crisis is also influencing the transfer market. Transfer sums for players are expected to decrease temporarily on account of the economic uncertainties. According to the International Centre for Sports Studies, it is possible that transfer sums for players in Europe's leagues will decline by several million euros.

Since football seasons were postponed throughout the world, there are two summer transfer windows this year. The DFB announced that the first transfer window would open for one day on 1 July 2020 to allow for the registration of previously signed contracts. In line with the fact that leagues in Europe are delaying the end of their seasons, the DFB is following UEFA's recommendation that the current transfer window be extended until 5 October 2020.

Despite the expected potential losses and the uncertainty as the situation continues to unfold, the European leagues remain attractive for talented young players. Current expectations are that there will be quite a bit of activity on the transfer market in the summer of 2020 but that the record transfer fees seen in previous seasons will not be paid.

Overall assessment of expected performance

The COVID-19 crisis is currently overshadowing the economic activities of German companies, forcing them to confront the major challenge of having to operate in a highly uncertain environment. After concluding the season under unprecedented circumstances, Borussia Dortmund also expects to face significant economic restrictions in the coming season. The risk of a second wave of the pandemic and another lockdown as a result will shape

economic planning for some time to come. Borussia Dortmund will persevere through these difficult times thanks to the economically sound foundation it has built up and the specific countermeasures it has taken. There is a high forecasting risk stemming from the strong dependence on political decisions and the further course of the COVID-19 pandemic. Thus, any statements regarding the future performance of the Company are subject to a high degree of uncertainty.

EXPECTED RESULTS OF OPERATIONS

Expected earnings trend

Society as whole, and by extension football, is facing unprecedented challenges. The number one priority is containing the spread of the COVID-19 virus in all facets of life. Professional football and thus Borussia Dortmund GmbH & Co. KGaA have been hit hard by the effects of the pandemic. Therefore, the expectation is of severe adverse effects on the earnings trend in the 2020/2021 season.

The Company anticipates that spectators will be able to attend matches in the new season. As a result of the measures to contain the pandemic, only a very limited number of tickets will be made available per match, which will continue to weigh heavily on income from match operations. Due to the economic uncertainty, Borussia Dortmund

expects a rather subdued transfer window, which will lead to significantly lower net transfer income year on year.

The club traditionally pursues a more conservative approach when factoring success on the pitch and any associated earnings contributions into the forecast.

In light of the high degree of uncertainty related to all sales categories, the management currently expects to generate a net loss of between EUR 70 million and EUR 75 million in the coming 2020/2021 financial year.

In this planning scenario, the result from operating activities (EBIT) will fall below the forecast net loss

for the year by the financial result and tax expense of approximately EUR 2 million. The operating result (EBITDA) would be around EUR 100 million higher than the result from operating activities (EBIT) due to depreciation and amortisation and would probably amount to between EUR 25 million and EUR 30 million.

Expected sales trend

In the past financial year, Borussia Dortmund generated sales of EUR 442,126 thousand. Sales are expected to decline by approximately 20% in the coming reporting period, due primarily to lower transfer income. The measures to contain the COVID-19 pandemic will impact nearly all of Borussia Dortmund GmbH & Co. KGaA's sales categories.

EXPECTED DIVIDEND

In light of the fact that the Company reports a net loss for the financial year, the management does not intend

Expected trend for significant operating expenses

Cost management continues to be Borussia Dortmund's highest priority. Especially in times of crisis, efforts are being undertaken to optimise this further. The objective is to specifically manage and continually monitor risks in order to avoid or minimise these.

Operating expenses are linked directly to the number of matches played and the club's performance in competitions, meaning that these are always contingent upon the club's footballing success.

Personnel expenses are also largely dependent upon the club's sporting success, because the professional squad is compensated on the basis of its performance, meaning that these expenditures are always commensurate with the club's success.

to propose to the Annual General Meeting any dividend distribution for financial year 2019/2020.

EXPECTED FINANCIAL POSITION

Capital expenditure and financial planning

The highest priorities for developing the club's core business will be making the club more competitive and improving its infrastructure.

Borussia Dortmund is currently pursuing an extremely passive transfer policy on account of the economic slump brought about by the COVID-19 pandemic. Even planned investments in SIGNAL IDUNA PARK are being postponed until further notice. In order to mitigate and avoid financial risk, Borussia Dortmund in principle pursues a conservative and extremely prudent capital expenditure strategy and will not count on any uncertain sporting successes.

Expected liquidity trend

Based on the assumptions made, Borussia Dortmund expects cash flows from operating activities of EUR 44 million in financial year 2020/2021. This figure is subject to change due in particular to transfer deals or if actual events differ from the forward-looking statements in the forecast concerning the club's sporting success or on account of the effects of the COVID-19 pandemic. Free cash flow is expected to amount to EUR -40 million.

OVERALL ASSESSMENT OF EXPECTED PERFORMANCE

The consequences of the measures to contain the COVID-19 pandemic will continue to have adverse effects in the coming 2020/2021 financial year. Due to the positive results of operations in recent financial years and in the period leading up to the outbreak of the COVID-19 pandemic, equity of EUR 389,518 thousand (which corresponds to an equity ratio of

approximately 75.83%) as at 30 June 2019 and the Company's long-term focus, Borussia Dortmund considers itself prepared to handle the uncertain economic situation. The management is continuously reassessing the situation as it pertains to the COVID-19 pandemic.

OTHER DISCLOSURES

The notes contains disclosures pursuant to § 160 (1) no. 2 AktG.

REPORT IN ACCORDANCE WITH § 289 A (1) HGB

The following information has been provided by the Company in response to the requirements of § 289 a (1) sentence 1 nos. 1 to 9 HGB:

1. As at 30 June 2020, the share capital of Borussia Dortmund GmbH & Co. KGaA amounts to EUR 92,000,000.00 and is divided into 92,000,000 no-par value ordinary bearer shares. All of the shares have been admitted to trading on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange and to the over-the-counter markets (Open Market) in Berlin, Bremen, Stuttgart, Munich, Hamburg and Düsseldorf. Each no-par value share entitles the holder to one vote at the Annual General Meeting. The Company has only one class of shares, and all shares carry the same rights and obligations. All other rights and responsibilities attaching to the Company's shares are determined in accordance with the German Stock Corporation Act (*Aktiengesetz*, "AktG").
2. Restrictions affecting the voting rights or transfer of the shares, and
3. Interests in the share capital of Borussia Dortmund GmbH & Co. KGaA exceeding 10% of the voting rights as at 30 June 2020:
 - 1) Evonik Industries AG, Essen, Germany: 9.83% of the voting rights
 - 2) Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 14.88% of the voting rights (of which 5.53% held directly and 9.35% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to § 22 (2) and henceforth § 34 (2) WpHG)
 - 3) Bernd Geske, Meerbusch, Germany: 14.88% of the voting rights (of which 9.35% held directly and 5.53% held indirectly by including the voting rights of Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany, pursuant to § 22 (2) and henceforth § 34 (2) WpHG)

According to the information available, the inclusion of the voting rights in either case is based on a shareholders' agreement concluded between Ballspielverein Borussia 09 e.V. Dortmund and Bernd Geske currently for a term until 30 June 2022 (after the original agreement ending on 30 June 2017 was extended). The material subject matter of said agreement is the stipulation binding the parties to exercise their voting rights in favour of Ballspielverein Borussia 09 e.V. Dortmund with regard to Bernd Geske's shares in Borussia Dortmund GmbH & Co. KGaA, and that Bernd Geske and Ballspielverein Borussia 09 e.V. Dortmund mutually agree to inform one another and vote on any changes to their respective shareholdings in Borussia Dortmund GmbH & Co. KGaA, especially pertaining to the transfer of shares.

4. There are no shares with special rights conferring powers of control.
5. There is no control of voting rights in cases in which employees are shareholders.
6. Because of its legal form as a partnership limited by shares, Borussia Dortmund GmbH & Co. KGaA does not have a management board. Instead, management and representation of the Company is the responsibility of the general partner. The provisions of Article 6 No. 1 of the Articles of Association stipulate that Borussia Dortmund Geschäftsführungs-GmbH, with registered offices in Dortmund, is to act as such an executive body on a permanent basis and not for a limited period of time by virtue of its status as a shareholder. The appointment and removal of managing directors of Borussia Dortmund Geschäftsführungs-GmbH is governed by § 8 no. 6 of its shareholders' agreement and is the responsibility of the Executive Committee of its Advisory Board, and therefore not of the Supervisory Board of

Borussia Dortmund GmbH & Co. KGaA. In principle, changes may be made to the Articles of Association of Borussia Dortmund GmbH & Co. KGaA only by a resolution of its Annual General Meeting, which, in accordance with § 133 (1) of the AktG, must be passed by a simple majority of votes and also, in accordance with Article 15 No. 3 of the Articles of Association of the Company in conjunction with § 179 (1) and (2) of the AktG, by a simple majority of the capital represented on the date of the resolution, except to the extent that mandatory statutory provisions or the Articles of Association stipulate otherwise. A mandatory provision of statute requires that a resolution of the Annual General Meeting be passed by a majority of three-quarters of the share capital represented on the date of the resolution in the event of changes to the Articles of Association relating to the object of the Company (§ 179 (2) sentence 2 AktG), the issuance of non-voting preferred shares (§ 182 (1) sentence 2 AktG), capital increases involving the disapplication of pre-emptive subscription rights (§ 186 (3) AktG), the creation of conditional capital (§ 193 (1) AktG), the creation of authorised capital (§ 202 (2) AktG) – where appropriate with authorisation to disapply pre-emptive subscription rights (§ 203 (2) sentence 2 in conjunction with § 186 (3) AktG) –, the ordinary or simplified reduction of share capital (§ 222 (1) sentence 2 and § 229 (3) AktG) or a change of legal form (§ 233 (2) and § 240 (1) of the German Reorganisation and Transformation Act [*Umwandlungsgesetz*, "UmwG"]). In addition, capital increases, other changes to the Articles of Association and other decisions of a fundamental nature may only be resolved with the approval of the general partner in accordance with § 285 (2) sentence 1 of the AktG. The Supervisory Board is authorised in accordance with Article 12 No. 5 of the Articles of Association to resolve changes

to the Articles of Association which relate only to the wording thereof, in particular in connection with the amount of capital increases from authorised and conditional capital.

7. By virtue of a resolution by the Annual General Meeting on 24 November 2014, the Company was authorised until 23 November 2019, subject to the consent of the Supervisory Board, to increase the share capital by a maximum of EUR 23,000,000.00 in total by issuing new no-par

value ordinary bearer shares against cash and/or in-kind contributions on one or more occasions. This authorisation was not utilised and has lapsed.

8. The Company is not a party to any material agreements which are conditional on a change of control following a takeover bid for the issued shares of Borussia Dortmund GmbH & Co. KGaA.
9. The Company is not a party to any compensation agreements that would apply in the event of a takeover bid.

STATEMENT BY THE GENERAL PARTNER ON RELATIONS WITH AFFILIATED COMPANIES

The Dependent Company Report prepared by Borussia Dortmund GmbH & Co. KGaA pursuant to § 312 AktG sets out the relations with Ballspielverein Borussia 09 e.V. Dortmund as the controlling entity and its affiliated companies. The general partner – represented by its Managing Directors – has issued the following concluding declaration:

"Based on the circumstances known to us at the time the transactions were entered into, the Company received appropriate consideration for each of the transactions set out in the report on relations with affiliated companies in the financial year. In all other cases, the Company has been compensated for any disadvantages having arisen. No other measures within the meaning of § 312 (1) of the AktG were either undertaken or omitted during the financial year."

DISCLAIMER

This management report contains forward-looking statements. Such statements are based on current estimates and are by nature subject to risks and

uncertainties. Actual results may differ from the statements made in this report.

Dortmund, 17 August 2020

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

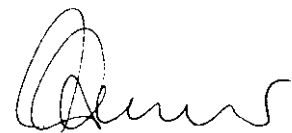
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



ANNUAL FINANCIAL STATEMENTS

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



ANNUAL FINANCIAL STATEMENTS for the period from 1 July 2019 to 30 June 2020

BALANCE SHEET

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	30/06/2020	30/06/2019
ASSETS		
A. FIXED ASSETS		
I. Intangible fixed assets		
1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	248,880	182,484
2. Prepayments	68	1,974
	248,948	184,458
II. Tangible fixed assets		
1. Land, land rights and buildings including buildings on third-party land	172,481	177,799
2. Other equipment, operating and office equipment	16,336	16,858
3. Prepayments and assets under construction	1,952	896
	190,769	195,553
III. Long-term financial assets		
1. Shares in affiliated companies	11,621	11,596
2. Equity investments	96	96
3. Other loans	32	51
	11,749	11,743
	451,466	391,754
B. CURRENT ASSETS		
I. Inventories		
Merchandise	46	46
II. Receivables and other assets		
1. Trade receivables	45,563	37,179
2. Receivables from affiliated companies	1,511	1,860
3. Other assets	1,516	1,945
	48,590	40,984
III. Cash-in-hand, bank balances		
	3,157	52,120
	51,793	93,150
C. PREPAID EXPENSES		
	15,509	28,802
	518,768	513,706

EUR '000	30/06/2020	30/06/2019
EQUITY AND LIABILITIES		
A. EQUITY		
I. Subscribed capital	92,000	92,000
less nominal value of treasury shares	-19	-19
Issued capital	91,981	91,981
II. Capital reserves	144,337	144,337
III. Revenue reserves		
1. Reserve for treasury shares	19	19
2. Other revenue reserves	147,662	127,337
	147,681	127,356
IV. Net loss/net profit for the year/ net accumulated losses/net retained profits	-49,662	25,844
	334,337	389,518
B. PROVISIONS		
1. Provisions for taxes	36	807
2. Other provisions	8,150	12,165
	8,186	12,972
C. LIABILITIES		
1. Liabilities to banks	8,031	0
2. Trade payables	135,122	60,602
3. Liabilities to affiliated companies	4,719	461
4. Other liabilities	24,675	25,031
of which from taxes: EUR 9,870 thousand (previous year: EUR 7,973 thousand)		
of which in relation to social security: EUR 35 thousand (previous year: EUR 36 thousand)		
	172,547	86,094
D. DEFERRED INCOME	3,698	25,122
	518,768	513,706

INCOME STATEMENT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	01/07/2019 – 30/06/2020	01/07/2018 – 30/06/2019
1. Sales	442,126	446,030
2. Other own work capitalised	37	21
3. Other operating income	9,098	15,914
	451,261	461,965
4. Personnel expenses		
a) Wages and salaries	-196,889	-187,825
b) Social security, post-employment and other employee benefit costs of which for post-employment: EUR 285 thousand (previous year: EUR 280 thousand)	-6,634	-5,861
	-203,523	-193,686
5. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	-105,547	-90,638
6. Other operating expenses	-193,474	-153,288
7. Income from profit and loss transfer agreements - all of which from affiliated companies -	4,669	5,016
8. Other interest and similar income of which from compounding: EUR 180 thousand (previous year: EUR 998 thousand)	180	1,003
9. Interest and similar expenses of which from discounting: EUR 154 thousand (previous year: EUR 271 thousand)	-2,934	-2,716
10. Earnings before taxes	-49,368	27,656
11. Taxes on income	-50	-1,502
12. Earnings after taxes	-49,418	26,154
13. Other taxes	-244	-310
14. Net loss/net profit for the year net accumulated losses/net retained profits	-49,662	25,844

**NOTES Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund
for the financial year from 1 July 2019 to 30 June 2020**

(hereinafter "Borussia Dortmund" or "Borussia Dortmund GmbH & Co. KGaA")

GENERAL DISCLOSURES TO THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements of Borussia Dortmund GmbH & Co. KGaA for the financial year from 1 July 2019 to 30 June 2020 have been prepared in accordance with the requirements of the German Commercial Code (*Handelsgesetzbuch*, "HGB") and the particular accounting requirements of the German Stock Corporation Act (*Aktiengesetz*, "AktG"). Borussia Dortmund GmbH & Co. KGaA has its registered office at Rheinlanddamm 207 – 209, 44137 Dortmund, Germany, and is listed in the commercial register of the Local Court (*Amtsgericht*) of Dortmund under the number HRB 14217. There is an additional obligation in accordance with § 315e (1) HGB to prepare consolidated financial statements applying international financial reporting standards (IFRS) as adopted by the EU.

The balance sheet classifications comply with the classification format under commercial law in accordance with § 266 HGB, while the income statement has in principle been prepared in the vertical format using the nature of expense method in accordance with § 275 HGB.

In some instances, the additional information to be provided in accordance with the statutory requirements is presented in the notes for reasons of clarity and accessibility.

The annual financial statements are presented in thousands of euros.

As a result of the fact that Ballspielverein Borussia 09 e.V. Dortmund (hereinafter "BV. Borussia 09 e.V. Dortmund") holds 100% of the shares in Borussia Dortmund Geschäftsführungs-GmbH and is therefore regarded indirectly as a controlling company, Borussia Dortmund GmbH & Co. KGaA qualifies as a dependent company within the meaning of § 17 AktG and accordingly is required to prepare a Dependent Company Report in accordance with § 312 AktG. This report must also contain the statutory concluding statement required in accordance with § 312 AktG which must be included in the management report.

ACCOUNTING POLICIES

Fixed assets

Intangible fixed assets are measured at cost less amortisation based on their expected useful lives or at the lower fair value. Player registrations reported in these financial statements are generally measured at cost, taking into account the decisions of the Federal Fiscal Court (*Bundesfinanzhof*, "BFH") of 26 August 1992 (I R 24/91) and of 14 December 2011 (I R 108/10), the FIFA regulations contained in FIFA circular no. 769 of 24 August 2001, which came into force on 21 September 2001, and DFL circular no. 52 of 20 March 2015, and are amortised on a straight-line basis in accordance with the term of the individual contracts for professional players. Write-downs may arise for assets measured at their lower fair value.

Tangible fixed assets are measured at cost less accumulated depreciation. Depreciation and amortisation are based on the economic useful lives of assets. Items with a value between EUR

150.00 to EUR 1,000.00 were recognised as an omnibus item and will be written down over a period of five years.

Long-term financial assets were measured at cost or the lower fair value in case of permanent impairment.

Inventories

Inventories are measured at cost less any discounts, subject to the strict lower of cost or market principle.

Receivables and other assets

Receivables and other assets are measured at their nominal amounts. A general valuation allowance was made for the overall credit and interest-rate risk while separate allowances are recognised for identifiable individual risks. General valuation allowances are not recognised for transfer receivables since these receivables must be measured in full on an item-by-item basis.

Cash-in-hand and bank balances

Cash-in-hand and bank balances are recognised at their nominal amounts.

Prepaid expenses

Prepaid expenses are future expenses that have been paid prior to the reporting date. These primarily relate to prepayments for personnel expenses in connection with contract extensions, and to insurance premiums. The amounts are reversed rateably over the terms/lives of the individual items.

Provisions

Provisions are recognised for all identifiable uncertain liabilities. They are carried at the settlement amounts deemed necessary as dictated by prudent business judgement.

Liabilities

Liabilities are recognised at the settlement amount.

Deferred income

Deferred income is income that was received prior to the reporting date but that is not earned until after the reporting date. The amounts are reversed rateably over the periods to which they relate.

Foreign currency translation

Assets and liabilities denominated in foreign currency with a residual term of less than one year are translated at the mean spot rate on the balance sheet date.

NOTES TO THE BALANCE SHEET

Fixed assets

As at the balance sheet date, Borussia Dortmund's fixed assets break down as follows:

EUR '000	30/06/2020	30/06/2019
Intangible fixed assets	248,948	184,458
Tangible fixed assets	190,769	195,553
Long-term financial assets	11,749	11,743
	451,466	391,754

Intangible fixed assets

Intangible fixed assets amounted to EUR 248,948 thousand. These consist of purchased player registrations (EUR 247,789 thousand; previous year: EUR 182,136 thousand), trademark rights, computer software and prepayments; the additions in financial year 2019/2020 amounted to EUR 227,543 thousand.

The player registrations include additions of EUR 227,086 thousand due to the signings of the players Paco Alcácer, Julian Brandt, Thorgan Hazard, Mats Hummels, Nico Schulz, Erling Haaland and Emre Can.

This was partly offset by amortisation and write-downs of EUR 95,023 thousand in the reporting period. This included EUR 1,930 thousand in write-downs of assets to fair value. Furthermore, reversals of write-downs amounting to EUR 1,632 thousand were recognised in the reporting period and presented under other operating income.

The carrying amounts of players Shinji Kagawa, Julian Weigl, Sebastian Rode, Alexander Isak, Jacob Bruun Larsen, Maximilian Philipp, Abdou Diallo and Paco Alcácer were derecognised as a result of transfers.

Tangible fixed assets

Tangible fixed assets amounted to EUR 190,769 thousand as at the reporting date. This item includes the stadium property (EUR 127,982 thousand) and land (EUR 28,477 thousand).

Tangible fixed assets also included EUR 7,596 thousand in fixtures, operating and office equipment related to SIGNAL IDUNA PARK.

The EUR 5,908 thousand in additions to tangible fixed assets in the past financial year related mainly to the following:

Investments amounting to EUR 2,468 thousand were made to further improve the training conditions and technical equipment at the training ground in Dortmund-Brackel. The focus of investments in the past financial year was on the project to expand BVB's training centre. This included the opening of a new fitness area. A new power plant and a sprinting hill are currently under construction. A further adjacent parcel of land was also acquired. The training ground and the youth academy will continue to be expanded over several phases until 2022.

EUR 2,229 thousand was invested in SIGNAL IDUNA PARK. The investments were made primarily in the catering areas and the stadium's security infrastructure. Investments were also made in SIGNAL IDUNA PARK's technical equipment.

Furthermore, various construction projects were carried out at the administration building and a down payment was paid for a new gatehouse.

Long-term financial assets

Long-term financial assets include the 100% shareholdings in BVB Stadionmanagement GmbH, BVB Merchandising GmbH, BVB Event & Catering GmbH, besttravel dortmund GmbH, BVB Fußballakademie GmbH (newly formed in June 2020) and BVB Asia Pacific Pte. Ltd., as well as the 33.33% shareholding in Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH.

Please refer to the list of shareholdings for more information.

Long-term financial assets also include loans to employees.

The Company has entered into a profit and loss transfer agreement with its subsidiaries BVB Merchandising GmbH, BVB Stadionmanagement GmbH, BVB Event & Catering GmbH and besttravel dortmund GmbH.

The development of gross fixed assets and of accumulated depreciation and amortisation for the individual items of fixed assets are shown in the following analysis pursuant to § 284 (3) HGB:

FIXED ASSETS

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	Change in cost				As at 30/06/2020
	As at 30/06/2019	Additions	Reclassification	Disposals	
I. Intangible fixed assets					
1. Concessions, industrial and similar rights and assets, and licences in such rights and assets	368,154	227,402	2,047	124,950	472,653
2. Prepayments	1,974	141	-2,047	0	68
	370,128	227,543	0	124,950	472,721
II. Tangible fixed assets					
1. Land, land rights and buildings including buildings on third-party land	220,846	1,271	115	0	222,232
2. Other equipment, operating and office equipment	45,769	3,581	-115	1,007	48,228
3. Prepayments and assets under construction	896	1,056	0	0	1,952
	267,511	5,908	0	1,007	272,412
III. Long-term financial assets					
1. Shares in affiliated companies	11,596	25	0	0	11,621
2. Equity investments	96	0	0	0	96
3. Other loans	51	0	0	19	32
	11,743	25	0	19	11,749
	649,382	233,476	0	125,976	756,882

ANNUAL FINANCIAL STATEMENTS
for the financial year from 1 July 2019 to 30 June 2020

	Change in depreciation, amortisation and write-downs					Carrying amounts		
	As at 30/06/2019	Additions	Write-downs	Reversals of write-downs	Disposals	As at 30/06/2020	As at 30/06/2020	As at 30/06/2019
	185,670	93,093	1,930	1,632	55,288	223,773	248,880	182,484
	0	0	0	0	0	0	68	1,974
	185,670	93,093	1,930	1,632	55,288	223,773	248,948	184,458
	43,047	6,704	0	0	0	49,751	172,481	177,799
	28,911	3,820	0	0	839	31,892	16,336	16,858
	0	0	0	0	0	0	1,952	896
	71,958	10,524	0	0	839	81,643	190,769	195,553
	0	0	0	0	0	0	11,621	11,596
	0	0	0	0	0	0	96	96
	0	0	0	0	0	0	32	51
	0	0	0	0	0	0	11,749	11,743
	257,628	103,617	1,930	1,632	56,127	305,416	451,466	391,754

Current assets

Current assets are made up as follows:

EUR '000	30/06/2020	30/06/2019
Inventories	46	46
Trade receivables	45,563	37,179
Receivables from affiliated companies	1,511	1,860
Other assets	1,516	1,945
Cash-in-hand, bank balances	3,157	52,120
	51,793	93,150

Inventories represent the material value of decorative shares in the form of printed physical share certificates.

Trade receivables includes transfer receivables amounting to EUR 32,631 thousand (previous year: EUR 32,804 thousand).

Trade receivables with a term of more than one year amounted to EUR 12,093 thousand (previous year: EUR 9,892 thousand).

The other assets mainly include insurance reimbursement claims.

No bank balances have been pledged as security for loans.

Prepaid expenses

In addition to prepayments for other services, the prepaid expenses amounting to EUR 15,509 thousand include primarily prepayments for

personnel expenses in connection with contract extensions amounting to EUR 11,315 thousand (previous year: EUR 24,367 thousand).

Equity

EUR '000	30/06/2020	30/06/2019
Issued capital	91,981	91,981
Capital reserves	144,337	144,337
Revenue reserves	147,681	127,356
Net loss/net profit for the year/net accumulated losses/net retained profits	-49,662	25,844
	334,337	389,518

The Company's subscribed capital amounts to EUR 92,000 thousand and is divided into 92,000,000 no-par value shares, each representing a notional share in the share capital of EUR 1.00, less the notional value of treasury shares of EUR 19 thousand.

Equity contains a presentation of treasury shares in which the nominal amount of the treasury shares is deducted from equity under subscribed capital

on the face of the balance sheet. Furthermore, a reserve for treasury shares in the same amount is also presented.

Pursuant to a resolution by the Annual General Meeting on 16 November 2004, the Company was authorised to acquire own shares amounting to 10% of the share capital on or before 30 April 2006. The Company was also authorised to sell its treasury

shares either on or off the stock market. Off-market sales are permitted, among other purposes, for the sale of shares in the form of printed physical share certificates which are freely transferable and tradable. In such cases, shareholders' subscription rights are excluded in accordance with § 71 (1) No. 8 AktG. In the period between the date of admission of the Company's shares to trading (31 October 2000) and the end of the reporting period, the Company acquired a total of 34,000 no-par value

shares and sold 14,700 no-par value shares off-market in the form of printed physical share certificates. The gain on disposal has been reported separately under other operating income. At the balance sheet date, the Company's holding of its own securities consisted of 18,900 no-par value shares; no shares were disposed of during the reporting period.

Further disclosures required in accordance with § 160 AktG are given in the following overview:

	Transactions in own/treasury shares	Total treasury shares	Total share capital EUR	Share in total capital %	Selling price EUR
07/2019 – 12/2019	0				0.00
As at 31/12/2019		18,900	18,900.00	0.021	
01/2020 – 06/2020	0				0.00
As at 30/06/2020		18,900	18,900.00	0.021	

By virtue of a resolution by the Annual General Meeting on 24 November 2014, the Company was authorised until 23 November 2019, subject to the consent of the Supervisory Board, to increase the share capital by a maximum of EUR 23,000,000.00 in total by issuing new no-par value ordinary bearer

shares against cash and/or in-kind contributions on one or more occasions. This authorisation was not utilised and has lapsed.

The change in reserves was as follows:

Change in reserves

EUR '000	01/07/2019	Additions	Withdrawals	30/06/2020
Capital reserves	144,337	0	0	144,337
Revenue reserves	127,356	20,325	0	147,681
	271,693	20,325	0	292,018

The annual financial statements for the financial year from 1 July 2018 to 30 June 2019 were adopted at the Annual General Meeting on 25 November 2019. The net income for the year of EUR 25,844,185.35 reported in the Company's annual financial statements for the 2018/2019 financial year was used as follows:

- EUR 5,518,866.00 was used to distribute to the limited liability shareholders a dividend of EUR 0.06 per share carrying dividend rights,
- the remaining EUR 20,325,319.35 was transferred to other revenue reserves.

The dividend was paid on 28 November 2019.

Changes in equity were as follows:

Changes in equity

EUR '000	30/06/2019	Additions/ withdrawals	Dividend	Net loss for the year	30/06/2020
Issued capital	91,981	0	0	0	91,981
Capital reserves	144,337	0	0	0	144,337
Revenue reserves	127,356	20,325	0	0	147,681
Net profit/net loss for the year/net retained profits/net accumulated losses	25,844	-20,325	-5,519	-49,662	-49,662
	389,518	0	-5,519	-49,662	334,337

Provisions

EUR '000	30/06/2020	30/06/2019
Provisions for taxes	36	807
Other provisions	8,150	12,165
	8,186	12,972

Tax provisions amounted to EUR 36 thousand and other provisions primarily include staff-related

obligations (EUR 1,828 thousand) and provisions for outstanding invoices (EUR 3,480 thousand).

Deferred taxes

Deferred tax assets and liabilities resulting from differences in the carrying amounts in the financial accounts and in the tax accounts are netted against each other if certain conditions are met. Irrespective of their date of realisation, deferred tax assets were

recognised on loss carryforwards in the amount of the excess deferred tax liabilities. As in the previous year, deferred taxes are measured using the average tax rate of 32.81%.

Liabilities

The maturities and security granted in respect of liabilities reported at 30 June 2020 are shown in the following overview:

EUR '000	Total 30/06/2020	of which with a residual term of		
		less than 1 1 year	1 – 5 years	more than 5 years
Liabilities to banks	8,031	8,031	0	0
Trade payables	135,122	65,495	69,627	0
Liabilities to affiliated companies	4,719	4,719	0	0
Other liabilities	24,675	24,675	0	0
of which from taxes EUR 9,870 thousand (previous year: EUR 7,973 thousand)				
of which social security EUR 35 thousand (previous year: EUR 36 thousand)				
	172,547	102,920	69,627	0

EUR '000	Total 30/06/2019	of which with a residual term of		
		less than 1 1 year	1 – 5 years	more than 5 years
Liabilities to banks	0	0	0	0
Trade payables	60,602	59,102	1,500	0
Liabilities to affiliated companies	461	461	0	0
Other liabilities	25,031	17,826	7,205	0
of which from taxes EUR 7,973 thousand (previous year: EUR 11,207 thousand)				
of which social security EUR 36 thousand (previous year: EUR 29 thousand)				
	86,094	77,389	8,705	0

As at 30 June 2020, trade payables amounted to EUR 135,122 thousand, of which EUR 120,287 thousand (previous year: EUR 48,521 thousand) related to transfer deals. Trade payables with a residual term of more than one year amounted to EUR 69,627 thousand (previous year: EUR 1,500 thousand).

Other liabilities consisted mainly of the residual credits for prepayments on season tickets for the 2020/2021 season, wage and value added tax not yet due and staff-related liabilities not yet due.

They also include liabilities to the general partner amounting to EUR 1,937 thousand (previous year: EUR 1,337 thousand). Liabilities to banks of EUR 8,031 thousand were reported at the balance sheet date.

Deferred income

This items primarily includes proceeds from sponsoring agreements relating to the 2020/2021 season. The amounts are reversed rateably over the periods to which they relate. Due to the suspension of league play and the ban on spectators when Bundesliga matches resumed in connection with the COVID-19 pandemic, the services not provided under the sponsoring

agreements from the 2019/2020 season were carried forward as compensation to the subsequent season. As it was not yet clear at the balance sheet date whether and to what extent matches may be played in front of spectators in the 2020/2021 season, season tickets were not sold. Consequently, and in contrast to the previous year, season ticket sales are not reported as deferred income.

Other financial obligations

As at the balance sheet date, there were financial obligations including rental, leasing, hereditary lease, licensing and loss assumption obligations resulting from inter-company agreements. The classification by maturity is shown in the following table:

EUR '000	Total 30/06/2020	of which with a residual term of		
		less than 1 year	1 – 5 years	more than 5 years
Marketing fees	45,410	6,075	30,587	8,748
Rental and leasing	7,225	2,590	4,635	0
Other financial obligations	3,368	1,064	2,164	140
Purchase commitments	0	0	0	0
	56,003	9,729	37,386	8,888

Furthermore, there are contingent liabilities from guarantees related to BVB Merchandising GmbH (EUR 288 thousand) and to besttravel dortmund GmbH (EUR 179 thousand). Based on past experience, it is unlikely that claims on these guarantees will be asserted.

In addition, a total of EUR 41,186 thousand in variable payment obligations under existing agreements with conditions precedent were reported as at 30 June 2020, of which EUR 26,604 thousand had a residual term of less than one year.

Derivative financial instruments

No derivative financial instruments were employed as at the 30 June 2020 reporting date.

NOTES TO THE INCOME STATEMENT

Sales

EUR '000	2019/2020	2018/2019
Match operations	32,510	44,659
Advertising	98,038	96,846
TV Marketing	169,836	167,349
Transfer deals	123,732	120,204
Conference, catering, miscellaneous	18,010	16,972
	442,126	446,030

Borussia Dortmund's sales declined by EUR 3,904 thousand to EUR 442,126 thousand in the 2019/2020 financial year and break down as follows:

Income from match operations decreased by EUR 12,149 thousand to EUR 32,510 thousand in financial year 2019/2020. The Bundesliga temporarily suspended match operations on account of the COVID-19 pandemic. Once league play resumed, it did so behind closed doors, meaning that Borussia Dortmund did not generate any income from spectators for five home matches. SIGNAL IDUNA PARK was virtually sold out for the first twelve home matches. Unlike in the previous year, Borussia Dortmund hosted only one home match of the DFB Cup at SIGNAL IDUNA PARK, which also led to a decline in this sales category. As in the previous year, Borussia Dortmund once again advanced the round of 16 of the UEFA Champions League. Borussia Dortmund hosted four home matches in the UEFA Champions League, generating EUR 8,414 thousand in income from standard and hospitality tickets (previous year: EUR 7,480 thousand), representing an increase of EUR 934 thousand.

Borussia Dortmund generated income of EUR 1,259 thousand in financial year 2019/2020 (previous year: EUR 6,069 thousand) from friendlies, the US tour in July 2019 and the ticket proceeds generated by the club's other teams.

In the financial year ended, Borussia Dortmund's advertising income amounted to EUR 98,038 thousand (previous year: EUR 96,846 thousand), representing a

share of 22.18% of total sales. The COVID-19 pandemic and the resulting temporary suspension of match operations and subsequent ban on spectators at matches also adversely impacted this sales category. Advertising services on match days could not be provided. Nevertheless, this income item increased by 1.23%.

Advertising income includes bonuses for the second-place Bundesliga finish, which directly qualified the team for the group stage of the UEFA Champions League in the 2020/2021 season, for advancing to the round of 16 of the UEFA Champions League in financial year 2019/2020 and for winning the DFL Super Cup at the beginning of the past season.

In financial year 2019/2020, income from TV marketing once again represented the highest share of sales (38.41%) and increased by EUR 2,487 thousand year on year to EUR 169,836 thousand. TV marketing income from domestic cup competitions rose. Income from both domestic and international TV marketing remained virtually level.

Income from domestic TV marketing amounted to EUR 97,687 thousand, down EUR 423 thousand against the prior-year reporting period, which was also attributable to the outbreak of the COVID-19 pandemic. The total distribution that DFL Deutsche Fußball Liga had originally planned would have been approximately 9.97% higher than in the previous year. The funds could not be distributed in full as planned due to the global effects of the COVID-19 pandemic, which impacted the profitability of many companies.

Income from international TV marketing amounted to EUR 67,420 thousand in the financial year (previous year: EUR 68,073 thousand). The decline of EUR 653 thousand is due to the lower performance bonus, since Borussia Dortmund amassed three wins and one draw in the group stage. In financial year 2019/2020, Borussia Dortmund once again advanced to the round of 16 of the UEFA Champions League.

Unlike in the previous year, Borussia Dortmund won the DFL Super Cup, its first competitive match of the current financial year. As in the previous year, Borussia Dortmund was eliminated in the third round of the DFB Cup. Income from domestic cup competitions thus amounted to EUR 4,729 thousand (previous year: EUR 1,162 thousand).

Income from transfer deals improved by EUR 3,528 thousand to EUR 123,732 thousand. This was attributable to the departure of the players Maximilian Philipp to FC Dynamo Moscow, Abdou

Diallo to Paris Saint-Germain, Alexander Isak to Real Sociedad, Julian Weigl to Benfica Lisbon, Paco Alcácer to Villarreal CF, Jacob Bruun Larsen to TSG Hoffenheim, Sebastian Rode to Eintracht Frankfurt and Shinji Kagawa to Real Zaragoza as well as subsequent transfer proceeds stemming from previous transfer deals. Furthermore, the players Dženis Burnić, Jeremy Toljan, Ömer Toprak, André Schürrle and Marius Wolf were loaned out.

In the previous financial year, the players Christian Pulisic transferred to Chelsea FC, Sokratis Papastathopoulos to Arsenal FC and Andriy Yarmolenko to West Ham United. These transfers also generated subsequent transfer proceeds and loan fees.

Conference, catering and miscellaneous income amounted to EUR 18,010 thousand (previous year: EUR 16,972 thousand) and also included sales from advance booking fees, rental and lease income and release fees for national team players.

Other operating income

Other operating income decreased by EUR 6,816 thousand year on year to EUR 9,098 thousand. In the current financial year this included primarily income from provisions, insurance reimbursements, unclaimed refunds and reversals of write-downs. In the previous year this included compensation

payments, insurance reimbursements and EUR 3,127 thousand in reversals of write-downs.

The share of prior-period income amounted to EUR 5,832 thousand (previous year: EUR 11,063 thousand).

Personnel expenses

In financial year 2019/2020, personnel expenses amounted to EUR 203,523 thousand (previous year: EUR 193,686 thousand).

EUR '000	2019/2020	2018/2019
Match operations	143,713	134,373
Retail and Administration	18,303	17,507
Amateur and youth football	12,144	9,200
	174,160	161,080

Furthermore, the professional squad received performance-based bonuses of EUR 29,363 thousand in financial year 2019/2020 (previous year: EUR 32,606 thousand). This was due to the team finishing in

second-place finish in the Bundesliga with 69 points and reaching the round of 16 of the UEFA Champions League, thereby automatically qualifying for the group stage of the competition in the 2020/2021 season.

Other operating expenses

EUR '000	2019/2020	2018/2019
Match operations	49,981	49,174
Advertising	27,192	25,876
Transfer deals	80,058	42,926
Retail	2,227	2,049
Administration	25,094	26,849
Other	8,922	6,414
	193,474	153,288

Other operating expenses increased by EUR 40,186 thousand or 26.22% from EUR 153,288 thousand in the previous year to EUR 193,474 thousand in the reporting period.

The largest increase under this item was seen in transfer deals, which rose by EUR 37,132 thousand to EUR 80,058 thousand. The carrying amounts of players Maximilian Philipp, Abdou Diallo, Alexander Isak, Julian Weigl, Paco Alcácer, Jacob Bruun Larsen and Sebastian Rode were derecognised as a result of transfers. This item also includes sales-related costs for the aforementioned departures and other (subsequent) variable transfer compensation.

Expenses from match operations decreased by EUR 807 thousand to EUR 49,981 thousand (previous year: EUR 49,174 thousand). The five home matches held behind closed doors at SIGNAL IDUNA PARK led to a decline in expenses for cash

desks, stewards and emergency medical services and football association dues, which are dependent on match operations. By contrast, an increase was recorded in travel expenses – due also in part to DFL Deutsche Fußball Liga GmbH's hygiene concept – and scouting-related expenses.

Advertising expenses also increased, by EUR 1,316 thousand. The rise in advertising income led to an increase in commissions paid to SPORTFIVE Germany GmbH. Other advertising measures also increased.

Administrative expenses decreased by EUR 1,755 thousand to EUR 25,094 thousand in the financial year ended. This decline was due primarily to the year-on-year decrease in taxes on profits.

Other expenses increased by EUR 2,508 thousand to EUR 8,922 thousand. This included in part loss allowances on receivables.

Financial result

The financial result for financial year 2019/2020 amounted to EUR 1,915 thousand (previous year: EUR 3,303 thousand) and breaks down as follows: Income from profit and loss transfer agreements

amounted to EUR 4,669 thousand. These include the results of BVB Merchandising GmbH, BVB Event & Catering GmbH, BVB Stadionmanagement GmbH and besttravel dortmund GmbH.

Income from profit and loss transfer agreements

EUR '000	Net profit/loss 01/07/2019 to 30/06/2020	Net profit/loss 01/07/2018 to 30/06/2019
BVB Stadionmanagement GmbH	64	69
besttravel Dortmund GmbH	566	948
BVB Merchandising GmbH	2,458	1,241
BVB Event & Catering GmbH	1,581	2,758
	4,669	5,016

Furthermore, interest income of EUR 180 thousand was recognised and related to entirely to compounding. Interest expenses amounted to EUR 2,934 thousand and comprised mainly financing charges of EUR 1,452 thousand and discounting effects of EUR 1,323 thousand.

Taxes on income

Taxes on income amounted to EUR 50 thousand (previous year: EUR 1,502 thousand).

OTHER DISCLOSURES

Corporate Governance

The management and Supervisory Board of Borussia Dortmund GmbH & Co. KGaA issued the Declaration of Conformity with the German Corporate Governance Code required by § 161 of the German Stock Corporation Act (*Aktiengesetz*, "AktG") on 9 September 2019 and made it permanently available to shareholders on the website at <https://aktie.bvb.de/eng/Corporate-Governance/Statement-of-Compliance>.

General partner

The general partner is Borussia Dortmund Geschäftsführungs-GmbH, whose registered office is in Dortmund and which does not have an interest in the Company's share capital. Its share capital amounts to EUR 30 thousand. Borussia Dortmund Geschäftsführungs-GmbH is exempt from the restrictions contained in § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*, "BGB") and is listed in the commercial register of the Local Court of

Dortmund, HRB No. 14206. The managing directors of this company are Hans-Joachim Watzke (Chairman), Thomas Treß (each of whom has sole power of representation) and Carsten Cramer (joint power of representation).

In the most recent financial year, the members of management received the following amounts for their activities, including responsibilities relating to subsidiary companies:

EUR '000	2019/2020	2018/2019
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	1,802	1,900
Other remuneration	40	38
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	860	934
Other remuneration	72	69
Carsten Cramer		
Fixed components		
Fixed remuneration	864	871
Other remuneration	42	52
	3,680	3,864

The management did not receive any performance-based remuneration for the 2019/2020 financial year. In the previous year, Hans-Joachim Watzke received EUR 720 thousand in performance-based remuneration, Thomas Treß received EUR 344 thousand and Carsten Cramer received EUR 344 thousand.

SUPERVISORY BOARD

The names of the members of the Company's Supervisory Board in the 2019/2020 financial year, their occupations and their further responsibilities on other management bodies are listed below:

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. KGaA

Gerd Pieper	Dr. Werner Müller	Christian Kullmann	Bernd Geske	Peer Steinbrück	Ulrich Leitermann	Bjørn Gulden	Dr. Reinhold Lunow	Silke Seidel	Bodo Löttgen
Chairman	Deputy Chairman (until 15 July 2019, deceased)	Deputy Chairman (since 28 August 2019)							(since 25 November 2019)

RIGHT TO REMUNERATION IN 2019/2020 [EUR '000]

48	6	34	24	24	24	24	24	24	14
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OCCUPATIONS [as at 30 June 2020]

Retired; former Managing Director of Stadt-Parfümerie Pieper GmbH, Herne	Chairman of the Executive Board of Evonik Industries AG, Essen	Managing partner of Bernd Geske Lean Communication, Meerbusch	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group (SIGNAL Krankenversicherung a.G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., Hamburg; SIGNAL IDUNA Unfallversicherung a.G., Dortmund)	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuscher Beteiligungsgesellschaft mbH, Westfalen 1 GmbH and Dortmund Logistik GmbH, all in Dortmund	Chair of the CDU parliamentary group in the state parliament of North Rhine-Westphalia, detective chief inspector (<i>Kriminalhauptkommissar</i>) [ret.], public administration graduate
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OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises [as at 30 June 2020]

Member of the Advisory Board of Borussia Dortmund Geschäftsführung-GmbH, Dortmund	Chairman of the Supervisory Board of Clear-VAT Aktiengesellschaft, Berlin	Member and Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning	Chairman of the Board Salling Group A/S, Braband, Denmark (since 6 March 2020)	Member of the Supervisory Board of Tchibo GmbH, Hamburg	Member of the Advisory Board of Borussia Dortmund Geschäftsführung-GmbH, Dortmund
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Employees

The average number of employees during the year was 517 (previous year: 473):

Average number of salaried employees	2019/2020	2018/2019
Total	517	473
of which in the Athletics Department	273	269
of which trainees	4	4
of which other	240	200

List of shareholdings

The following table gives summarised information relating to companies in which the Company has a shareholding of more than 20%:

	Registered office	Share capital (EUR '000)	Shareholding %	Equity (EUR '000) as at 30/06/2020	Net profit/loss (EUR '000) 01/07/2019 to 30/06/2020
Shares in affiliated companies					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	63
besttravel Dortmund GmbH*	Dortmund	50	100.00	144	566
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	2,458
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	1,582
BVB Asia Pacific Pte. Ltd.	Singapore	66	100.00	192	31
BVB Fußballakademie GmbH	Dortmund	25	100.00	25	0
Equity investments					
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH	Dortmund	52	33.33	786	-3

* Profit and loss transfer agreements are in force. Profit/loss of the Company under HGB prior to transfer to/absorption by the consolidated tax group parent.

The companies are included in the consolidated financial statements of Borussia Dortmund GmbH & Co. KGaA, Dortmund. The consolidated financial statements are published in the electronic Federal Gazette.

Related-party disclosures

The general partner in Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien is Borussia Dortmund Geschäftsführungs-GmbH. The latter is responsible for the management and legal representation of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien. The power to appoint and remove members of staff thus rests

with BV. Borussia 09 e.V., Dortmund, in its capacity as the sole shareholder in Borussia Dortmund Geschäftsführungs-GmbH. Both Borussia Dortmund Geschäftsführungs-GmbH and BV. Borussia 09 e.V. Dortmund, as well as all companies associated therewith hence are deemed to be related parties.

Auditors' fee

KPMG AG audited the annual and consolidated financial statements of Borussia Dortmund GmbH & Co. KGaA and conducted further statutory and voluntary audits at subsidiaries. The auditors reviewed the interim consolidated financial statements and carried out mandatory audits and reviews as part of the DFL licensing procedure pursuant to the DFL licensing regulations. KPMG also provided tax advisory services covering advice

and assessment in individual cases. The auditors were also tasked with conducting a limited assurance engagement on the separate non-financial Group report. For details of the auditors' fees, please see the notes to the consolidated financial statements. The disclosures are not made in this report due to the exemption under § 285 no. 17 HGB for entities preparing consolidated financial statements.

Notifiable shareholdings

(under § 160 (1) no. 8 AktG in conjunction with § 33 (1) and (2) WpHG)

Of the shareholdings in our Company, the following were notified to us pursuant to § 33 (1) of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG") and published with the following content pursuant to § 40 (1) WpHG in financial year 2019/2020:

Lansdowne European Absolute Opportunities Fund Limited, George Town, Grand Cayman, Cayman Islands, notified us on 26 May 2020 that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.001% on 29 April 2020 (2,761,052 voting rights/shares) and that all of these voting rights were attributable to Lansdowne European Absolute Opportunities Fund Limited pursuant to § 34 WpHG via Lansdowne European Absolute Opportunities Master Fund Limited as the shareholder, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- Lansdowne European Absolute Opportunities Fund Limited
- Lansdowne European Absolute Opportunities Master Fund Limited with a voting interest of 3.001%

Mr Ralph Dommermuth notified us on 2 March 2020 that his voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 5.004% on 2 March 2020 (4,604,000 voting rights/shares) and that all of these voting rights were attributable to him (Mr Ralph Dommermuth) pursuant to § 34 WpHG via Ralph Dommermuth Beteiligungen GmbH, and

furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- Ralph Dommermuth
- Ralph Dommermuth Verwaltungs GmbH
- Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft
- Ralph Dommermuth Beteiligungen GmbH with a voting interest of 5.004%

RAG-Stiftung, Essen, Germany, notified us on 19 February 2020 that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 9.83% on 14 February 2020 (9,046,509 voting rights/shares) and that all of these voting rights were attributable to RAG-Stiftung pursuant to § 34 WpHG via Evonik Industries AG, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- RAG-Stiftung
- Evonik Industries AG with a voting interest of 9.83%

Dimensional Holdings Inc., Austin, Texas, USA, notified us on 27 January 2020 that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 2.996% on 22 January 2020 (2,756,130 voting rights/shares) and that all of these voting rights were attributable to Dimensional Holdings Inc. pursuant to § 34 WpHG, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

(1)

- Dimensional Holdings Inc.
- Dimensional Fund Advisors LP
- Dimensional Fund Advisors Ltd.

(2)

- Dimensional Holdings Inc.
- Dimensional Fund Advisors LP
- DFA Canada LLC
- Dimensional Fund Advisors Canada ULC

(3)

- Dimensional Holdings Inc.
- Dimensional Fund Advisors LP
- DFA Australia Limited

(4)

- Dimensional Holdings Inc.
- Dimensional Fund Advisors LP
- Dimensional Fund Advisors Ltd.
- Dimensional Fund Advisors Pte. Ltd.

Lansdowne Partners International Ltd., George Town, Grand Cayman, Cayman Islands, notified us

on 11 December 2019 that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.01% on 5 December 2019 (2,767,730 voting rights/shares) and that all of these voting rights were attributable to Lansdowne Partners International Ltd. pursuant to § 34 WpHG, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

(1)

- Lansdowne Partners International Ltd. with a voting interest of 3.01%
- Lansdowne Partners Ltd.
- Lansdowne Partners (UK) LLP with a voting interest of 3.01%

(2)

- Lansdowne Partners International Ltd. with a voting interest of 3.01%
- Lansdowne General Partner I Limited
- Lansdowne European Absolute Opportunities Master Fund LP

Shareholdings by members of governing bodies

As at 30 June 2020, one member of management held 7,045 no-par value shares in the Company. As at the same date, the members of the Supervisory Board held a total of 8,602,009 no-par value shares. Members of management and the Supervisory Board hold a total of 8,609,054 no-par-value shares, which corresponds to more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

Expected dividend

In light of the fact that the Company reports a net loss for the financial year, the management does not intend to propose to the Annual General Meeting any dividend distribution for financial year 2019/2020.

Report on post-balance sheet date events

Transfer deals

After already being on loan for the 2019/2020 season, Ömer Toprak has now made his move to SV Werder Bremen permanent.

Borussia Dortmund and André Schürrle – most recently on loan to the Russian first-division club FC Spartak Moscow – have mutually agreed to rescind the contract which had an original term expiring in 2021.

Match operations

On 10 July 2020, the DFB Executive Committee adopted the new fixture calendar for the 2020/2021 season. This stipulated that Bundesliga matches would start on 18 September 2020. The 34th and final Bundesliga match day is scheduled for 22 May 2021.

The DFB Cup will start with the first round one week before the Bundesliga from 11 September 2020.

The DFL Super Cup between Borussia Dortmund and Bayern Munich will be played on 30 September 2020.

The dates for the UEFA Champions League have also already been set: the first match day of the group stage will be played on 20/21 October 2020.

Other

The existing EUR 60,000 thousand overdraft facility was expanded by EUR 60,000 thousand.

Dortmund, 17 August 2020

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

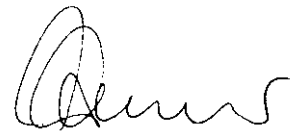
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

INDEPENDENT AUDITOR'S REPORT

To Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Opinions

We have audited the annual financial statements of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund ("Company" or "Borussia Dortmund"), which comprise the balance sheet as of June 30, 2020 and the income statement for the financial year from July 1, 2019 to June 30, 2020, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien for the financial year from July 1, 2019 to June 30, 2020.

In accordance with German legal requirements, we have not audited the content of those components of the management report specified in the "Other Information" section of our auditor's report.

The management report contains cross-references that are not provided for by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

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 applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of June 30, 2020, and of its financial performance for the financial year from July 1, 2019 to June 30, 2020, in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the

opportunities and risks of future development.

Our opinion on the management report does not cover the content of those components of the management report specified in the "Other Information" section of the auditor's report. The management report contains cross-references that are not provided for by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and 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 and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1, 2019, to

December 30, 2020. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Measurement of player registrations as well as the completeness and measurement of liabilities from transfers

We refer to the information in the notes to the financial statements on accounting policies as well as to the explanatory notes to the balance sheet (Sections: Intangible assets and Liabilities).

THE FINANCIAL STATEMENT RISK

Player registrations in the amount of EUR 247.8 million are presented under intangible assets in the annual financial statements of Borussia Dortmund. Player registrations rose to EUR 247.8 million in the financial year ended due to additions of EUR 227.1 million, reclassifications of EUR 0.3 million, disposals of EUR 68.7 million, write-downs of EUR 94.7 million and reversals of write-downs of EUR 1.6 million. Trade payables include transfer liabilities of EUR 120.3 million.

The acquisition cost of player registrations is determined based on individual and complex transfer agreements between the transferring and receiving clubs as well as any agreements with players' agents concluded in this context. Due to the heterogeneity and complexity of the contract provisions, there is generally the risk that the intangible asset and the related transfer liability are not measured appropriately on initial recognition in the financial statements.

Furthermore, there is generally the risk of inappropriate subsequent measurement of the

intangible assets and transfer liabilities, as well as of the completeness of transfer liabilities that may arise if conditional contractual components or contract modifications materialize.

OUR AUDIT APPROACH

By examining material transfer and agent agreements for new players, we assessed player registrations in terms of how the acquisition costs and related liabilities were determined.

As part of subsequent measurement, we checked material transfer and agent agreements to assess whether conditions had occurred in financial year 2019/2020 triggering subsequent acquisition costs and additional liabilities from transfers and whether these were recognized accordingly in the financial statements.

Furthermore, we examined material contract modifications or contract renewals for subsequent acquisition costs and additional liabilities and whether the adjustments to useful lives were reasonable.

OUR OBSERVATIONS

Transfer and agent agreements were appropriately assessed in terms of measuring player registrations and measuring the completeness of the related transfer liabilities.

***Existence and accuracy of transfer receivables as well
as revenue from transfers***

We refer to the information in the notes to the financial statements on accounting policies (Section: Receivables and other assets), the explanatory notes to the balance sheet (Section: Current assets) and the explanatory notes to the income statement (Section: Revenue).

THE FINANCIAL STATEMENT RISK

Transfer receivables of EUR 32.6 million are shown under trade receivables in the annual financial statements of Borussia Dortmund. Revenue from transfers amounted to EUR 123.7 million in financial year 2019/2020.

Due to the heterogeneity and complexity of the contract provisions, recognition of revenue from transfers is complex and there is generally the risk for the financial statements that in the event of players leaving, receivables from transfers and the related revenues are presented at too high an amount or not in the correct period.

OUR AUDIT APPROACH

With regard to players leaving the professional squad, we substantiated the amount of transfer receivables and revenue by examining the material transfer and agent agreements concluded. The accuracy of transfer receivables and revenue recognized was assessed by verifying the calculation of receivables based on the contract clauses.

When examining the concluded transfer agreements, we focused mainly on the date of recognition in order to assess whether the receivables and related revenue were recognized in the correct period.

OUR OBSERVATIONS

Transfer and agent agreements were appropriately assessed in terms of transfer receivables and revenue from transfers.

Completeness and accuracy of personnel expenses of the professional squad

We refer to the information in the explanatory notes to the income statement (Section: Personnel expenses).

THE FINANCIAL STATEMENT RISK

Among other expenses, the salaries of the professional squad are disclosed under personnel expenses in the financial statements of Borussia Dortmund. These include, besides the base salaries, also performance-related remuneration, such as appearance bonuses and annual performance bonuses, as well as individual special payments. Due to individually agreed remuneration components and remuneration amounts, there is generally the risk for the financial statements that the personnel expenses of the professional squad were not completely reported or not reported at the correct amount.

OUR AUDIT APPROACH

Our audit procedures in particular included an inspection and assessment of the currently valid

employment contracts with their remuneration components and amounts as well as individual termination agreements. We checked the consistency of contracts deliberately selected according to certain risk criteria with the corresponding salary calculations. For the selected contracts, we checked to what extent contractually agreed conditions now apply for the variable remuneration components. Furthermore, we examined whether events had occurred that would have resulted in higher expenses. In terms of agreed special or one-off payments, we examined whether personnel expenses were recognized in the proper period regardless of the payment date.

OUR OBSERVATIONS

The individually agreed remuneration components and compensation amounts were appropriately recognized as personnel expenses of the professional squad.

Other information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the management report, whose content was not audited:

- the corporate governance statement referred to in the management report,

The other information also includes the remaining parts of the annual report made available to us after the date of the independent auditor's report. The other information does not include the annual financial statements, the management report information audited for content and our auditor's report thereon.

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the aforementioned other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is 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, management is responsible for assessing the Company'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.

Furthermore, management is responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for such arrangements and measures (systems) as they determine are necessary to enable the preparation of the management report in compliance with the applicable requirements of German commercial law and for providing sufficient and appropriate evidence for the statements in the management report

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

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, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal

requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit

Regulation 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 and this management report.

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 and of the management report, 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 opinions. 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 and of arrangements and measures (systems) relevant to the audit of the management report 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 these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- 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 Company'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 and in the management report or, if such disclosures are inadequate, to modify our respective opinions. 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 Company 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 Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to

bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor at the annual general meeting on November 25, 2019. We were engaged by the supervisory board on November 25, 2019. We have audited Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, without interruption since financial year 2009.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Ralph Fischer.

Dortmund, 18 August 2020
KPMG AG Wirtschaftsprüfungsgesellschaft



gez. Fischer
Wirtschaftsprüfer
[German Public Auditor]



gez. Huperz
Wirtschaftsprüfer
[German Public Auditor]



RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report inclu-

des a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Dortmund, 17 August 2020

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



GROUP MANAGEMENT REPORT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



**GROUP MANAGEMENT REPORT Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund
for the financial year from 1 July 2019 to 30 June 2020**
(hereinafter also "Borussia Dortmund" or the "Group")

BUSINESS TREND

LOOKING BACK ON FINANCIAL YEAR 2019/2020

Athletic Performance

COVID-19 pandemic

Match operations in the first and second Bundesliga divisions were suspended from 13 March to mid-May 2020 on account of the COVID-19 pandemic. After DFL Deutsche Fußball Liga GmbH had submitted a hygiene and safety concept, the minister presidents of the federal states resolved on 6 May 2020 to allow match operations in the first and second Bundesliga divisions to resume behind closed doors. Borussia Dortmund resumed action on 16 May 2020, facing FC Schalke 04 in a local derby, before playing all nine outstanding matches of the current season by 27 June 2020.

Bundesliga

Borussia Dortmund chalked up 69 points in the 2019/2020 Bundesliga season to once again finish in second place behind FC Bayern Munich, as had been the case in the previous year. As runners-up, Borussia

Dortmund qualified directly for the group stage of the UEFA Champions League in the 2020/2021 season as well as this year's DFL Super Cup.

UEFA Champions League

Borussia Dortmund advanced from the group stage to the round of 16 of the UEFA Champions League after finishing in second place in its group with three wins, one draw and two losses. Although Borussia Dortmund won the first leg against Paris Saint-Germain 2:1, the team was eliminated from the competition after losing the return match 0:2 in what was the club's first match behind closed doors of the season.

DFB Cup

After beating both KFC Uerdingen and Borussia Mönchengladbach, Lucien Favre's team lost 3:2 against Werder Bremen in the quarter finals on 4 February 2020.

PERFORMANCE INDICATORS

Various financial and non-financial indicators are used to measure performance. Borussia Dortmund uses these internally-defined performance indicators to guide its entrepreneurial actions and to select the focus of its internal reporting.



DFL Supercup
3 August 2019
BVB - Bayern München 2:0



DFB cup 1st round
9 August 2019
KFC Uerdingen - BVB 0:2

Financial performance indicators

From a wide range of possible financial indicators, Borussia Dortmund focuses on those specific indicators that in the past few years were primarily used to steer the Company.

First and foremost is revenue. Management uses this indicator to internally manage the Company, knowing full well that this indicator alone is not sufficiently meaningful. Nevertheless, it provides a clear indication of the Company's economic strength, especially when compared against that of competitors or when monitoring the Company's long-term revenue trend.

A decision by the IFRS Interpretations Committee (IFRIC) states that transfer proceeds may no longer be recognised as revenue but instead must be netted against the corresponding transfer expenses – including where necessary any residual carrying amount of the respective player registration – and recognised in profit or loss as net transfer income. In light of this, the management has decided to introduce "consolidated total operating proceeds" as a new performance indicator reflecting the Group's earnings power and as a source of funding for ordinary activities. Consolidated total operating proceeds are calculated as total revenue plus the gross transfer proceeds generated.

The result from operating activities (EBIT) and net profit or loss for the year are also used to manage the Company. These financial performance indicators play a key role in preparing the budget for the coming financial year(s), in interim controlling with respect to the earnings performance and when looking back on a particular financial year.

Another key performance indicator is the operating result (EBITDA). This is due to the considerable level of investment activity and the associated increase in depreciation, amortisation and write-downs. As a result, EBITDA (EBIT adjusted for depreciation, amortisation and write-downs) has been selected to better benchmark the Company's annual performance.

These indicators are rounded out by cash flows from operating activities and free cash flow, both of which the Company uses for internal planning purposes. The presentation in the statement of cash flows was also adjusted in light of the aforementioned IFRIC decision: Instead of being recognised under cash flows from operating activities, transfer proceeds received are now reported net of any directly attributable payments made in connection with the respective transfer in the new "Net proceeds from transfers" item under cash flows from investing activities. The same applies to changes in receivables and liabilities from transfer deals. The change does not have any impact on the free cash flow.

Free cash flow is defined as cash flows from operating activities plus cash flows from investing activities and is a key indicator used to ensure that cash flows from operating activities are sufficient to cover investments. Because Borussia Dortmund's strategic objective is to maximize sporting success without incurring new debt, free cash flow is a key indicator for the club. In light of steadily growing transfer sums, free cash flow is thus becoming increasingly important. Furthermore, it is an indicator used to determine whether Borussia Dortmund has sufficient funds to finance the steady



1st match day
17 August 2019
BVB - FC Augsburg 5:1



2nd match day
23 August 2019
1. FC Köln - BVB 1:3

dividend payments to its shareholders. Therefore, Borussia Dortmund strives to continuously optimise free cash flow.

Non-financial performance indicators

Borussia Dortmund's only non-financial performance indicator is the reach of its brand.

While it is impossible to measure the reach of Borussia Dortmund's brand, it is determined by a number of criteria that, when taken together, are representative of the brand's reach.

Some of these criteria are measurable, while others are not. Nevertheless, they are a reflection of the Company's appeal.

The number of criteria varies and they are thus exchangeable. While any one factor may be of relevance during a given season, this may not

necessarily be the case in subsequent years. New media in particular constantly provides new value drivers: for instance, the number of Facebook fans or page impressions represent relatively new indicators.

Measurable criteria include, for example, the number of season tickets sold, attendance figures and television broadcast hours.

Awards, surveys and studies represent possible criteria that cannot be measured quantitatively. Another "soft" criterion is the deliberate selection of sponsors whose products and brand images are aligned with the Borussia Dortmund brand.

Borussia Dortmund's decision-makers receive reports about all criteria on a regular basis. Furthermore, taken as a whole, these are an indicator of the success of the Company's strategic alignment.

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT

Sponsorships

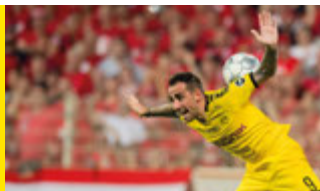
Two new Champion Partners teamed up with Borussia Dortmund at the beginning of the 2019/2020 season: ESET spol. s.r.o. and comdirect bank AG. comdirect bank AG will be the club's official banking partner.

The agreements run until 30 June 2022 and 30 June 2023, respectively.

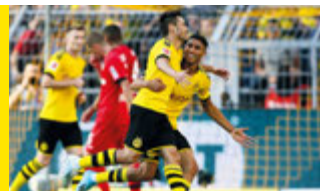
At the start of the 2019/2020 season, Borussia Dortmund also welcomed two new partners, the long-established German manufacturer of coffee products, Melitta Group Management GmbH & Co. KG, and the international cosmetics company, L'Oréal Deutschland GmbH.

In addition to these two new partners, the club also extended two existing partnerships: Coca-Cola European Partners Deutschland GmbH and MBG International Premium Brands GmbH (effect energy drink) renewed their sponsorship agreements and will remain Premium Partners until 2022.

The analogue advertising boards in the upper stands were replaced by the new digital boards at the start of the new season. These new boards give the club more sponsorship opportunities and also reduce the costs associated with preparing the stadium for international matches.



3rd match day
31 August 2019
Union Berlin - BVB 3:1



4th match day
14 September 2019
BVB - Bayer Leverkusen 4:0

Borussia Dortmund and PUMA International Sports Marketing B.V. extended their partnership through to 30 June 2028. Extending the existing cooperation is a milestone for Borussia Dortmund as it seeks to secure a permanent position among the leading clubs in the Bundesliga and the top 15 in Europe.

Borussia Dortmund will have two different kit sponsors for the 2020/2021 season: The team will wear kits bearing Evonik Industries AG's logo for all international club competitions, friendlies staged abroad and DFB Cup matches. For its Bundesliga matches, the team will wear kits bearing the logo of 1&1 Telecommunication SE.

The COVID-19 pandemic significantly impacted sponsoring at the end of the past season. Due to the suspension of match operations, Borussia Dortmund was unable to render all of its advertising services. The loyalty and tremendous willingness to compromise displayed by advertising partners has been particularly felt in these difficult economic times.

Transfer deals

Five players left Borussia Dortmund during the 2019 summer transfer window:

Abdou Diallo moved to Paris Saint-Germain F.C. and Maximilian Philipp now plays for FC Dynamo Moscow. Alexander Isak and Shinji Kagawa also both left Borussia Dortmund and now ply their trade in Spain at Real Sociedad San Sebastián and Real Zaragoza, respectively.

Sebastian Rode permanently moved to Bundesliga rivals Eintracht Frankfurt after spending the second half of the past season on loan there.

Six other players left Borussia Dortmund on loan to other clubs: Jeremy Toljan plays for FC Sassuolo,

Ömer Toprak for SV Werder Bremen, Marius Wolf for Hertha BSC Berlin, Sergio Gómez for SD Huesca, Felix Passlack for Fortuna Sittard, and André Schürrle for FC Spartak Moscow. All loan agreements expire at the end of the 2019/2020 season.

Leading up to 30 June 2020, Borussia Dortmund agreed to again loan full-back Jeremy Toljan to U.S. Sassuolo, ranked twelfth in Italy's Serie A. This loan agreement includes a buy option, which will automatically apply once the loan expires if certain conditions are met.

Three players left Borussia Dortmund during the winter transfer window: Julian Weigl transferred to Benfica Lisbon, Paco Alcácer to Villarreal CF, and Jacob Bruun Larsen to Bundesliga rivals TSG Hoffenheim.

Borussia Dortmund decided to not renew its contract with Mario Götze, who will depart the club at the end of the current season.

Achraf Hakimi's loan spell will end on 30 June 2020, at which time he, too, will leave Borussia Dortmund.

Capital expenditure

Borussia Dortmund signed six players during the summer transfer window:

Mats Hummels returned to Dortmund after three years at FC Bayern Munich. Borussia Dortmund also signed three other Bundesliga players: Nico Schulz from TSG Hoffenheim, Thorgan Hazard from Borussia Mönchengladbach and Julian Brandt from Bayer 04 Leverkusen.

BVB exercised the buy option in its loan agreement with FC Barcelona and initially signed centre-forward Paco Alcácer until 2023. The highly-rated youngster Mateu Morey also joined Borussia Dortmund on a free transfer from FC Barcelona.



1st match day UCL
17 September 2019
BVB - FC Barcelona 0:0



5th match day
22 September 2019
Eintracht Frankfurt - BVB 2:2

In January 2020, Borussia Dortmund signed the highly talented Norwegian striker Erling Braut Haaland until 2024. Emre Can also joined Borussia Dortmund, transferring from Juventus Turin and signing a contract until 30 June 2024.

Borussia Dortmund extended the contracts of Łukasz Piszczek and Roman Bürki. While Piszczek signed a one-year extension until 2021, Dortmund's goalkeeper Bürki extended his contract until 30 June 2023.

In June 2020, Borussia Dortmund announced that it had signed Thomas Meunier. The Belgium international leaves French champions Paris Saint-Germain for Dortmund, having signed a contract until 2024.

TV marketing

Due to the interruption of the current season on account of the COVID-19 pandemic, the income accrued for the first 25 match days was calculated as at 31 March 2020 and the disbursement of funds was subsequently recalculated. This led to a decrease in income from domestic and international TV marketing. Likewise, the disbursement dates have also been postponed accordingly into the new season.

Since UEFA Champions League matches will be held well into August 2020, the funds for the past season also still need to be calculated and disbursed.

Match operations

Borussia Dortmund continued to be hugely popular in the 2019/2020 season. The club virtually sold out

all eight of its Bundesliga and UEFA Champions League home matches open to spectators.

Borussia Dortmund again sold the most season tickets in the Bundesliga, at 55,500.

Due to the global COVID-19 pandemic, the Bundesliga suspended match operations for ten weeks from mid-March to mid-May 2020, at which point a strict hygiene concept was put in place and the season was played out behind closed doors.

Other

Borussia Dortmund was the first club in the Bundesliga and the second in Europe to release its own documentary, Inside Borussia Dortmund. This four-part production was initially released via streaming service Amazon Prime Video before being serialised by public broadcaster WDR. The series gives fans around the world a unique look behind the scenes at Borussia Dortmund.

Borussia Dortmund invested in new flood lights to ensure that club is in line with the DFL's standards and that it meets UEFA's requirements for the 2024 European Championship.

Borussia Dortmund's third Sustainability Report was published on 31 October 2019 and can be accessed online at <http://verantwortung.bvb.de/2019/en/home-en/>.*

In these turbulent times, Borussia Dortmund remains committed to continuity and extended the contract with its sporting director Michael Zorc early by a further year until 30 June 2022.

* The content accessible via the link does not constitute part of this Group management report. In accordance with the statutory requirements, KPMG AG Wirtschaftsprüfungsgesellschaft has neither audited the cross-references nor the information to which the cross-references refer.



6th match day
28 September 2019
BVB - Werder Bremen 2:2



2nd match day UCL
2 October 2019
Slavia Prag - BVB 0:2

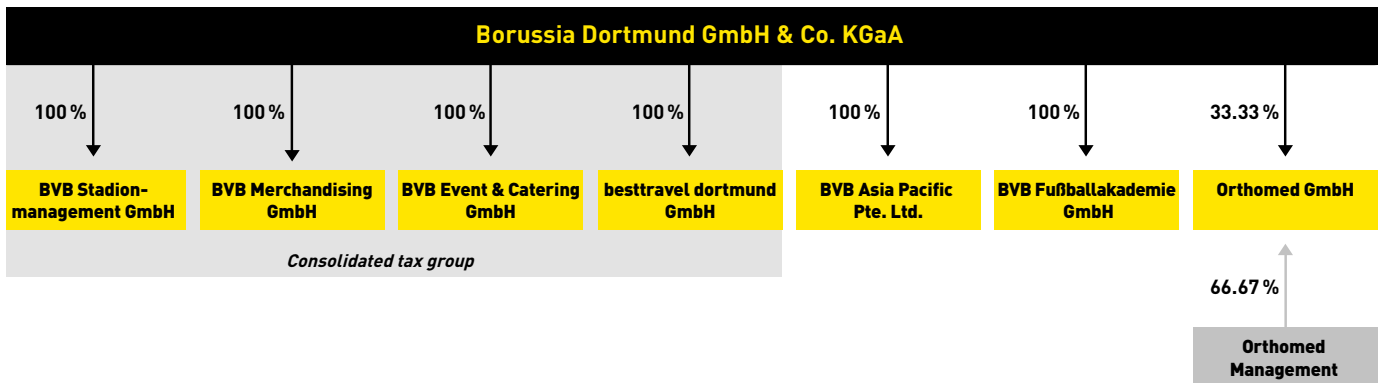
GENERAL INFORMATION ABOUT THE COMPANY

GROUP STRUCTURE AND BUSINESS OPERATIONS

In addition to its core activities of playing football and marketing SIGNAL IDUNA PARK, Borussia Dortmund has established football-related lines of business. The Company currently holds indirect and direct equity investments in the following companies: BVB Stadionmanagement GmbH (100.00%), BVB Merchandising GmbH (100.00%),

BVB Event & Catering GmbH (100.00%), BVB Asia Pacific Pte. Ltd. (100.00%), besttravel dortmund GmbH (100.00%), BVB Fußballakademie GmbH (100.00%) and Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (Orthomed GmbH) (33.33%).

Some of these companies have concluded profit and loss transfer agreements with the parent.



7th match day
5 October 2019
Sportclub Freiburg - BVB 2:2

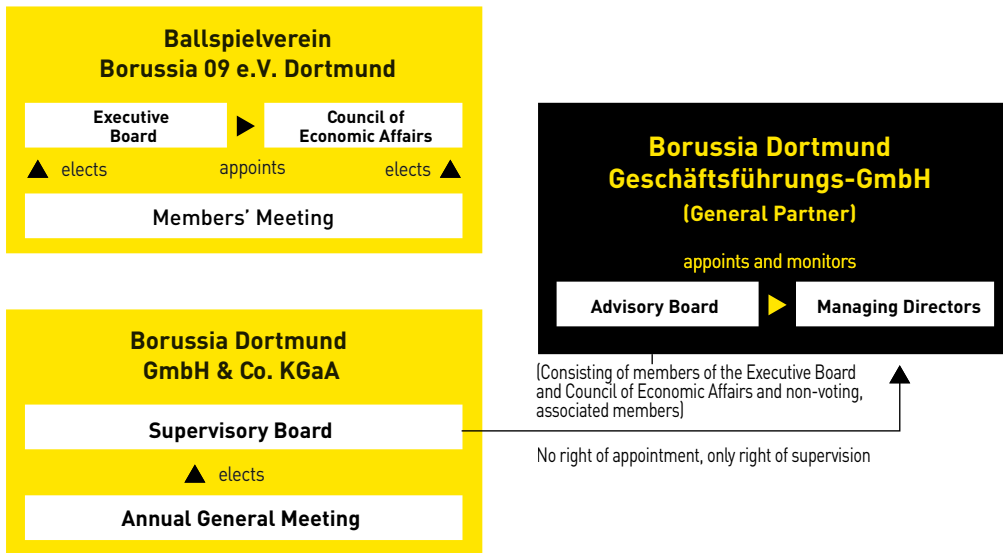


8th match day
19 October 2019
BVB - Bor. M'gladbach 1:0

ORGANISATION OF MANAGEMENT AND CONTROL

Borussia Dortmund Geschäftsführungs-GmbH, the general partner of Borussia Dortmund GmbH & Co. KGaA, is responsible for management and representation of the latter. Borussia Dortmund Geschäftsführungs-GmbH is for its part represented by Managing Directors Hans-Joachim Watzke (Chairman), Thomas Treß and Carsten Cramer; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.

The following chart shows the structures and responsibilities as between Ballspielverein Borussia 09 e.V. Dortmund, Borussia Dortmund GmbH & Co. KGaA and Borussia Dortmund Geschäftsführungs-GmbH:

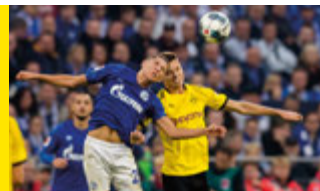


The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA, which is appointed by the Annual General Meeting, has limited rights and duties. It has no authority with respect to matters involving personnel, i.e., no authority to appoint and dismiss managing directors at Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their contracts. Nor is the Supervisory

Board authorised to adopt internal rules of procedure or to define a list of transactions requiring its consent on behalf of the general partner. Rather, such rights and duties are vested in the governing bodies of Borussia Dortmund Geschäftsführungs-GmbH, namely its Advisory Board and the Executive Committee created by the Advisory Board.



3rd match day UCL
 23 October 2019
 Inter Mailand - BVB 2:0



9th Spieltag
 26 October 2019
 FC Schalke 04 - BVB 0:0

The names of the members of the Company's Supervisory Board in the 2019/2020 financial year, their right to remuneration, their occupations and their further responsibilities on other management bodies are listed below:

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. KGaA

Gerd Pieper	Dr. Werner Müller	Christian Kullmann	Bernd Geske	Peer Steinbrück	Ulrich Leitermann	Björn Gulden	Dr. Reinhold Lunow	Silke Seidel	Bodo Löttgen
Chairman	Deputy Chairman (until 15 July 2019, deceased)	Deputy Chairman (since 28 August 2019)							(since 25 November 2019)

RIGHT TO REMUNERATION IN 2019/2020 [EUR '000]

48	6	34	24	24	24	24	24	24	14
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OCCUPATIONS (as at 30 June 2020)

Retired; former Managing Director of Stadt-Parfümerie Pieper GmbH, Herne	Chairman of the Executive Board of Evonik Industries AG, Essen	Managing partner of Bernd Geske Lean Communication, Meerbusch	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group (SIGNAL Krankenversicherung a.G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., Hamburg; SIGNAL IDUNA Unfallversicherung a.G., Dortmund)	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund	Chair of the CDU parliamentary group in the state parliament of North Rhine-Westphalia, detective chief inspector (Kriminalhauptkommissar) (ret.), public administration graduate
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OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 30 June 2020)

Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund	Chairman of the Supervisory Board of Clear-VAT Aktiengesellschaft, Berlin	Member and Chairman of the Supervisory Board of Dortmunder Volksbank eG, Dortmund	Member and Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning	Chairman of the Board Salling Group A/S, Braband, Denmark (since 6 March 2020)	Member of the Supervisory Board of Tchibo GmbH, Hamburg	Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund
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DFB cup 2nd round
30 October 2019
BVB - Bor. M'gladbach 2:1

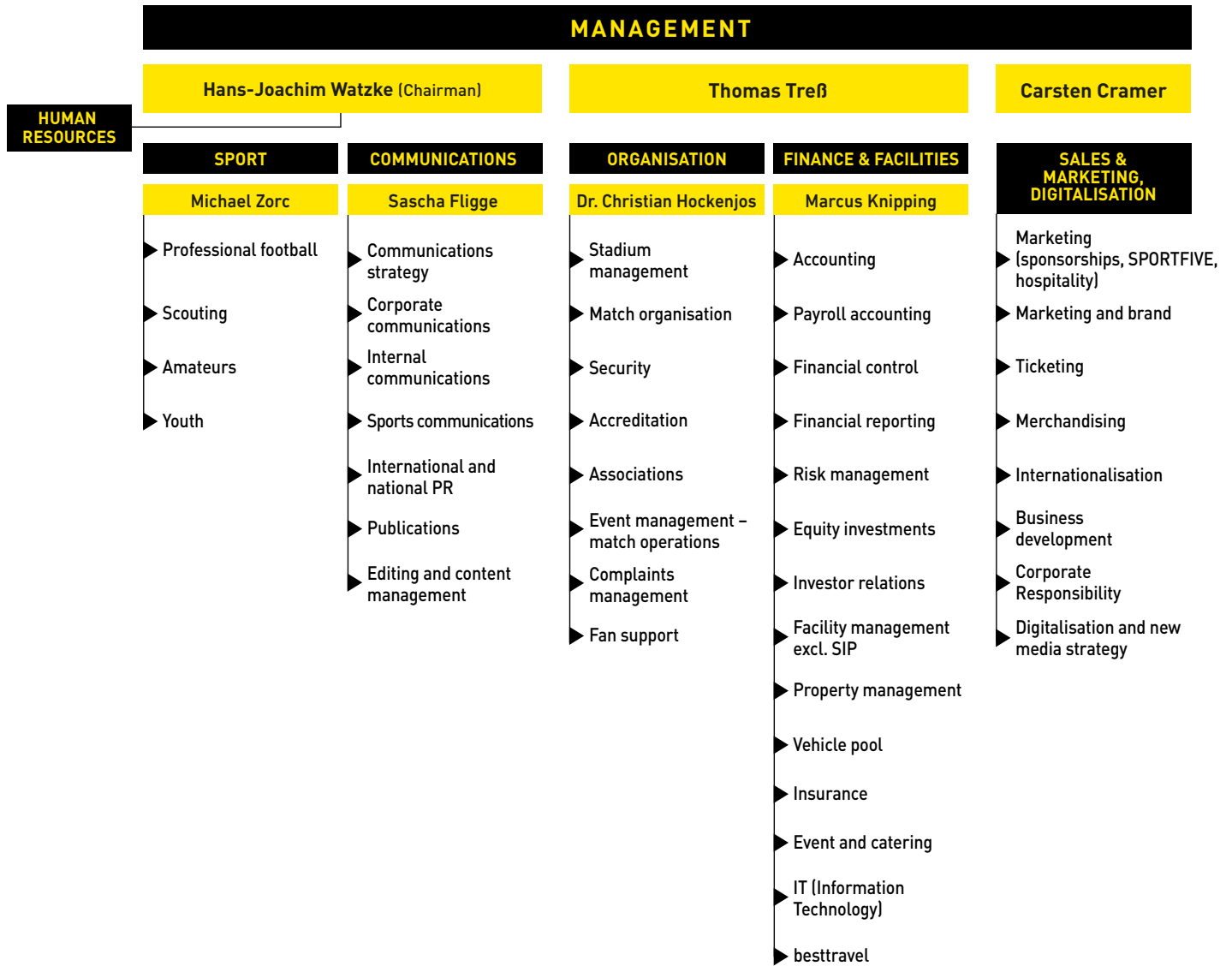


10th match day
2 November 2019
BVB - VfL Wolfsburg 3:0

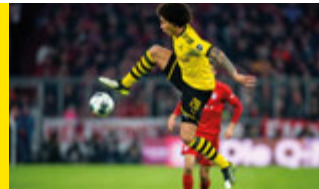
Within Borussia Dortmund GmbH & Co. KGaA there are five independent functional areas below the management level, namely, "Sports", "Sales & Marketing, Digitalisation", "Communications",

"Organisation" and "Finance & Facilities". The responsible employees and the functional organisational areas of which they are in charge are shown in the chart below:

Functional areas of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



4th match day UCL
 5 November 2019
 BVB - Inter Mailand 3:2



11th match day
 9 November 2019
 Bayern München - BVB 4:0

INTERNAL MANAGEMENT AND CONTROL SYSTEM

Sports management

Despite our financially stable results, we will continue to focus on achieving success on the pitch in future under a budget tuned for performance. To accomplish this objective, Borussia Dortmund will continue to put together a competitive team in the future with an emphasis on young, promising players.

Our sporting objectives will be aligned with our financial circumstances, meaning that the makeup of the squad and its cost structure will continue to depend on calculable variables on the income side. Qualifying for and participating in international competitions has provided the financial flexibility to reinforce the squad – with the goal of also establishing a presence in European competitions going forward.

Financial management

Borussia Dortmund uses the HGB indicators result from operating activities and operating result for measuring the economic success of the Company. Borussia Dortmund derives its result from operating activities from earnings before interest and taxes (EBIT) and its operating result from earnings before interest, taxes and depreciation and amortisation (EBITDA). The Company continuously monitors both the operating result (EBITDA) and the result from operating activities (EBIT) of the segments on the basis of monthly comparisons of the budgeted and actual figures. To optimise these indicators, the main factors to be leveraged are revenue, which can be

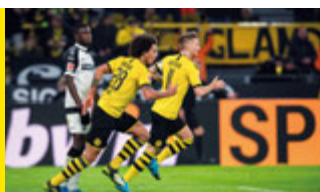
additionally improved in the major revenue categories of match operations, advertising, TV marketing and net transfer income, as well as operating expenses, which can be lowered through disciplined management.

A key goal of the management of Borussia Dortmund is to achieve a lasting increase in profitability along with bolstering its financial strength. In addition to steadily improving the operating result (EBITDA) and the result from operating activities (EBIT), a positive free cash flow is therefore the most important financial objective of our Company. We seek to optimise these cash flows.

In the coming years, Borussia Dortmund will concentrate on generating steady revenue growth while limiting operating expenditure. The decisive factor in this respect will be qualifying for international competitions.

Capital management

The capital management responsibilities of the Company's management involve stabilising and increasing the equity of Borussia Dortmund. One of the main ways in which we will reach these objectives is by improving the operating result and making effective investments. The management uses the result from operating activities (EBIT), the operating result (EBITDA) and the net profit/loss for the year to manage the Company.



12th match day
22 November 2019
BVB - SC Paderborn 3:3



5th match day UCL
27 November 2019
FC Barcelona - BVB 3:1

CORPORATE STRATEGY

Borussia Dortmund pursues the objective of defending its position in the top flight of the Bundesliga and sees itself well on the way to accomplishing that goal.

As the first listed German football company, we have expanded our financial base by exclusively marketing the rights to SIGNAL IDUNA PARK as well as by utilising and maintaining the Borussia Dortmund brand more effectively. The Company will continue to focus heavily on its core business of professional football and the sport's classic revenue pillars: TV marketing, advertising, match operations, transfer deals, conference, catering and miscellaneous activities, and merchandising. Borussia Dortmund is confident that it will be able to further stabilise and expand its position for the following reasons:

- Borussia Dortmund is in sporting terms one of the most successful, well known and popular German football clubs with an outstanding fan base that gives it one of the highest average spectator numbers compared to other European football clubs.
- A football enterprise can only be financially successful if it enjoys sporting success over the long term. In order to make its financial performance less dependent on short-term sporting success in the future, Borussia Dortmund will push ahead further with the national and international marketing of its brand name.

- Germany continues to be one of Europe's largest football markets, although it lags behind certain other European markets, such as the UK, in terms of media exploitation rights. This means that Germany has major growth potential.

All financial activities of Borussia Dortmund are geared towards the target groups relevant to a football club: its fans, members and business partners. Products and services should be tailored to these groups as closely as possible. Borussia Dortmund intends to use the brand potential at its disposal to take full advantage of the commercial opportunities inherent in professional club football at an international level.

Its current business strategy can principally be summarised as follows:

- Sustainably adjusting athletic prospects
- Intensifying the promotion of up-and-coming talent
- Increasing fan involvement
- Utilising and maintaining the Borussia Dortmund brand

Financial performance and business development are dependent on footballing success. Since footballing success is difficult to plan, the best that management can do is to create a solid foundation for success. Investments, particularly in the professional squad,



13th match day
30 November 2019
Hertha BSC - BVB 1:2



14th match day
7 December 2019
BVB - Fortuna Düsseldorf 5:0

are therefore a necessary prerequisite for achieving footballing objectives such as qualifying for the UEFA Champions League. However, in order to meet financial objectives, planned investments and decisions must under certain circumstances be postponed to the extent these would only be possible by incurring new debt. Moreover, a player might be sold based on financial considerations in cases where this would not have happened had the decision been made purely on the basis of sporting criteria.

Thus a conflict arises between the pursuit of financial interests and sporting interests, i.e., a situation in which sporting considerations and financial considerations may be at odds with each other, particularly if the club continually falls short of its sporting goals. In such cases, management weighs the opportunities and risks to find a solution that does adequate justice to the Company's strategic objectives.

Advertising plays a key role in this context. Over the years, advertising has grown to become one of the Company's largest income categories. In contrast to central TV marketing, where distribution is already clearly defined in advance, Company management is itself able to determine the requirements for and direction of sponsoring activities and, if necessary, modify the strategy implemented as circumstances change. The key figures for the sponsoring segment were already budgeted for the coming years based on commitments from SIGNAL IDUNA Group (ending 2026) and PUMA International Sports Marketing B.V.

(ending 2028), the Company's chief partners, as well as 1&1 Telecommunication SE as the second primary sponsor in addition to Evonik Industries AG (both ending 2025).

Revenues from international competitions are more difficult to budget for, since they depend solely on the team's athletic performance.



6th match day UCL
10 December 2019
BVB - Slavia Prag 2:1



15th match day
14 December 2019
1. FSV Mainz 05 - BVB 0:4

DIVIDEND POLICY

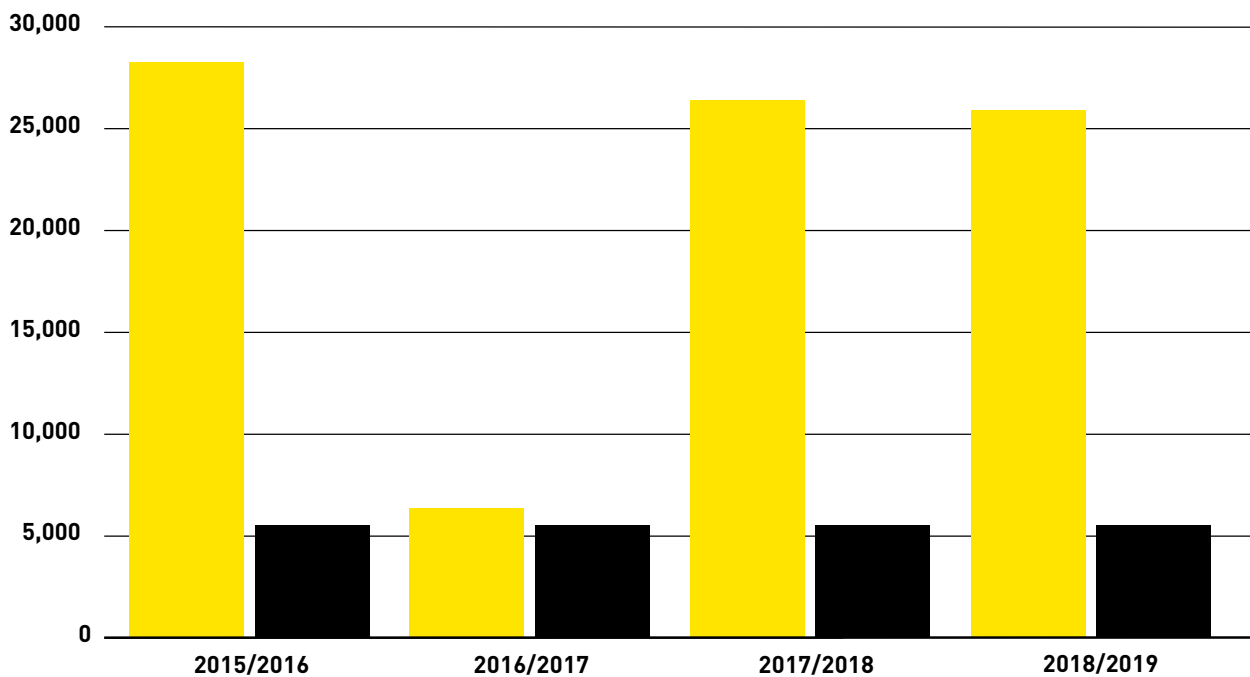
Two key indicators are assessed to shape Borussia Dortmund's dividend policy.

On the one hand, Borussia Dortmund assesses its earnings situation, and in the past few financial years has generated a net profit. The Company reported a net loss for the current financial year, in particular on account of the effects of the COVID-19 pandemic.

On the other hand, free cash flow is used to ensure that cash flows from operating activities are sufficient to cover investments.

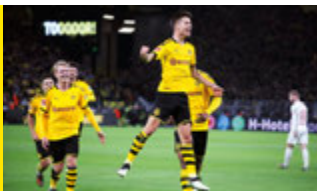
In order to remain competitive, Borussia Dortmund intends to use its net income for the year and cash and cash equivalents primarily for investments. The primary focus is on strengthening the professional squad, modernising SIGNAL IDUNA PARK and expanding the training ground in Dortmund-Brackel. Despite these investments, it is Borussia Dortmund's aim to continue distributing a dividend to its shareholders every year, provided it generates a net profit.

Dividend distribution

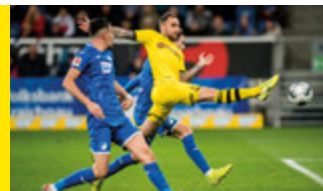


■ Net income for the year (EUR '000)

■ Dividend distributed (EUR '000)



16th match day
 17 December 2019
 BVB - Rasenballsport Leipzig 3:3



17th match day
 20 December 2019
 TSG Hoffenheim - BVB 2:1

SEPARATE NON-FINANCIAL GROUP REPORT

Please see the 2019/2020 Sustainability Report with regard to the disclosures within the meaning of §§ 289b, 315b of the German Commercial Code (*Handelsgesetzbuch*, "HGB"). The Sustainability Report includes the Group's non-financial statement for the 2019/2020 financial year within the meaning

of §§ 315b, 315c in conjunction with §§ 289 to 289e HGB, which was subject to a limited assurance engagement. As at 31 October 2020, the Sustainability Report will be published online at <https://verantwortung.bvb.de/en>. *

CORPORATE GOVERNANCE DECLARATION PURSUANT TO § 289f HGB

Pursuant to § 289f of the German Commercial Code (*Handelsgesetzbuch*, "HGB"), listed German stock corporations (*Aktiengesellschaften*) must prepare a corporate governance declaration. This declaration includes the declaration of conformity with the German Corporate Governance Code, and presents the corporate governance practices and the working principles of the management and the Supervisory Board and its committees. The corporate governance declaration is not included in the

management report and is instead published online at <https://aktie.bvb.de/eng/Corporate-Governance/Corporate-Governance-Declaration>.

In accordance with § 289b (2) sentence 2 HGB, Borussia Dortmund GmbH & Co. KGaA is exempt from preparing a non-financial statement.

The separate non-financial Group report is published online at <https://aktie.bvb.de/eng/Publications/Annual-Reports>. *

* In accordance with the statutory requirements, KPMG AG Wirtschaftsprüfungsgesellschaft has neither substantively audited the cross-references nor the information to which the cross-references refer.



18th match day
18 January 2020
FC Augsburg - BVB 3:5



19th match day
24 January 2020
BVB - 1. FC Köln 5:1

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

Borussia Dortmund had forecast a net profit in the mid-seven-figure range for the 2019/2020 financial year. Based on this forecast assumption and analogue to the net profit for the year, EBIT was also expected to be in the mid-seven-figure range. Since depreciation, amortisation and write-downs were expected to exceed EUR 85,000 thousand, the operating result (EBITDA) should have exceeded the result from operating activities (EBIT) by this amount. Borussia Dortmund had expected total revenue to amount to approximately EUR 485,000 thousand. The forecast had called for cash flows from operating activities of EUR 140 million and free cash flow of EUR 35 million.

Given the restrictions as a result of the COVID-19 pandemic, Borussia Dortmund GmbH & Co. KGaA resolved to withdraw its forecast of a net profit in the

low millions for the 2019/2020 financial year, as published in its 2018/2019 Annual Report. Please refer to the ad hoc disclosure dated 16 March 2020.

In its ad hoc disclosure dated 29 June 2020, Borussia Dortmund issued a new earnings forecast for the 2019/2020 financial year. Management now forecast a consolidated net loss for the year of approximately EUR 45 million.

The forecast figures are a direct reflection of the effects of the COVID-19 pandemic, which impacted all of Borussia Dortmund's revenue streams.

Accordingly, since other financial performance indicators are likewise subject to significant change, no forecasts are presented in the following section.

Development of financial performance indicators

In the 2019/2020 financial year, Borussia Dortmund's financial performance indicators – revenue, result from operating activities (EBIT), operating result

(EBITDA), net profit/net loss for the year, cash flows from operating activities and free cash flow – were as follows:

Borussia Dortmund Group (IFRS)

EUR '000	2019/2020	2018/2019*
Revenue	370,196	370,256
Consolidated total operating proceeds	486,884	489,524
Operating result (EBITDA)	62,992	115,983
Result from operating activities (EBIT)	-43,138	23,501
Net profit/net loss for the year	-43,953	17,391
Cash flows from operating activities	-362	28,710
Free cash flow	-51,131	5,201

* Change in prior-year items. See also "Restatements in accordance with IAS 8.42" in the notes to the consolidated financial statements.

Development of non-financial performance indicators

In the past financial year, Borussia Dortmund decided to form the Corporate Responsibility department to consolidate its CSR activities more

effectively. The department tackles issues of social, ecological as well as economic responsibility. This is in line with Hans-Joachim Watzke's call to action



20th match day
 1 February 2020
 BVB - Union Berlin 5:0



DFB cup round of 16
 4 February 2020
 Werder Bremen - BVB 3:2

to better leverage the Company's appeal to effect social change and fight climate change, and the department has been given the resources necessary for these tasks. Sustainability applies to all facets of the Company. Therefore, the Corporate Responsibility department has established an internal working group with representatives from all departments to focus on and advance this issue. The working group reports to the management. Its role is to holistically shape Borussia Dortmund's sustainable development, identify ESG risks and opportunities and take appropriate action. The findings and insights, as well as the action taken, are presented in the annual Sustainability Report.

In the past financial year, Borussia Dortmund demonstrated in impressive fashion that it actively embraces its responsibility towards both its employees and the industry as a whole. Seldom has the connection between football and social responsibility been clearer than in this season. Economic issues, forces seeking to build but also divide communities, as well as ecological and health challenges have come to light. During this time, Borussia Dortmund has taken it upon itself to leverage its appeal to rise to these social challenges.

"The calibre of a football club lies in how it fulfils its social responsibilities." As we face the COVID-19 pandemic, this quote from Franz Jacobi, one of BVB's founding fathers, rings true today more than ever and has been brought to life in special fashion – for everyone at and outside of the club to see. Despite the economic losses, we maintained our employees' regular working hours and output while affording them the same level of health and safety. Arrangements with partners and opportunities for temporary employees to continue to work as essential workers during the pandemic reinforce both BVB's stable network of partnerships and the club's sense of responsibility towards its employees.

Countless initiatives under the movement #Borussiaunites are displaying solidarity that each in their own way are having a deep impact on society. One such example is BVB's "digital match day", which was launched to help the city's vibrant food scene. Fans virtually retrace the steps they would normally take to the stadium and support participating restaurants, pubs and kiosks with a donation. But more than financial aid is needed. Calls for blood donations, tips for fun children's activities at home from the club's mascot Emma, distributing food for the needy from the stadium – all of these initiatives demonstrate the solidarity displayed by the BVB family. And the family is growing steadily,

which is reflected above all by the statistics for the club's digital mediums. The club's presence on social media continues to grow. At the end of the financial year, its followers on Facebook, Twitter, Instagram YouTube and SinaWeibo exceeded the numbers in the previous quarter. Borussia Dortmund's fan work – which the club always tailors to its ever-evolving community of 952 fan clubs and over 64,000 registered fan club members spanning almost the entire globe – remains one of the BVB's key pillars, helping in large measure to shape the club's underlying business strategy.

Pursuant to the German CSR Directive Implementation Act (*CSR-Richtlinie-Umsetzungsgesetz*), Borussia Dortmund will publish its fourth Sustainability Report, prepared in accordance with the GRI Standards, on 31 October 2020. It outlines the social, economic and environmental aspects of sustainability and describes the club's non-financial performance indicators in detail. You can find out everything you need to know about sustainability at Borussia Dortmund on our website – <https://verantwortung.bvb.de/2019/en/home-en/>.*

* The content accessible via the link does not constitute part of this Group management report. In accordance with the statutory requirements, KPMG AG Wirtschaftsprüfungsgesellschaft has neither audited the cross-references nor the information to which the cross-references refer.



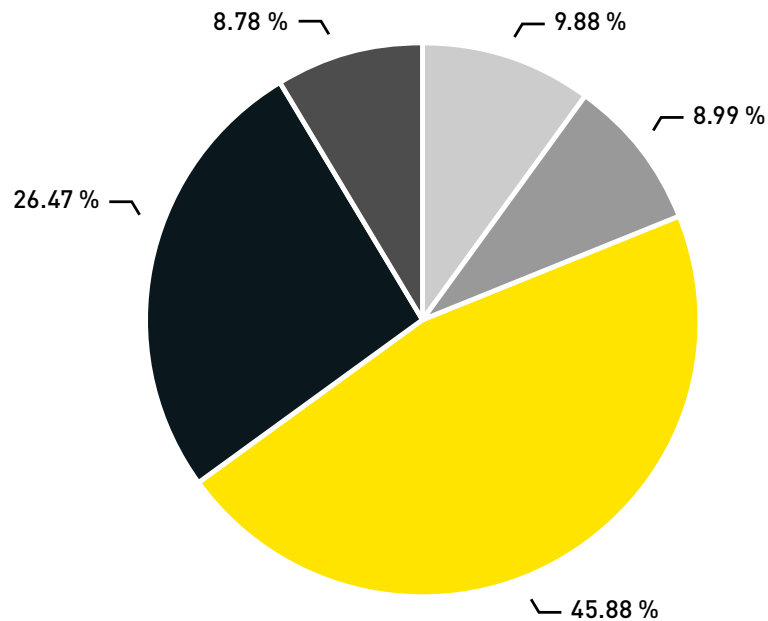
21st match day
8 February 2020
Bayer Leverkusen - BVB 4:3



22nd match day
14 February 2020
BVB - Eintr. Frankfurt 4:0

RESULTS OF OPERATIONS

Borussia Dortmund Group – Revenue in percent



- Conference, catering, miscellaneous
- Merchandising
- TV Marketing
- Advertising
- Match operations

During the reporting period (1 July 2019 to 30 June 2020), Borussia Dortmund generated revenue of EUR 370,196 thousand (previous year: EUR 370,256 thousand), EUR 60 thousand less than in the previous year. Net transfer income amounted to EUR 40,160 thousand (previous year: EUR 82,881 thousand).

Earnings before taxes amounted to EUR -46,583 thousand (previous year: EUR 21,809 thousand); the result from operating activities (EBIT) amounted to

EUR -43,138 thousand (previous year: EUR 23,501 thousand).

During the current reporting year, the operating result (EBITDA) amounted to EUR 62,992 thousand (previous year: EUR 115,983 thousand).

Borussia Dortmund generated a net loss of EUR 43,953 thousand during the 2019/2020 financial year (previous year: net profit of EUR 17,391 thousand).



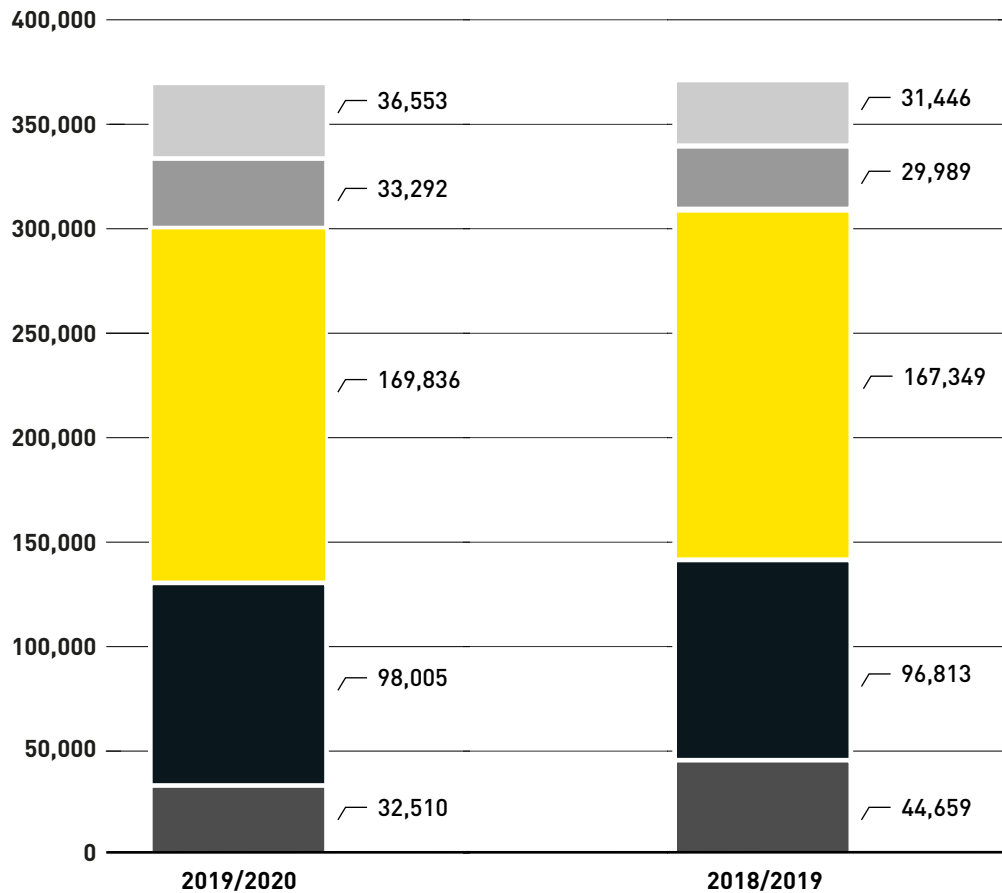
UCL round of 16
 18th February 2020
 BVB - Paris St. Germain 2:1



23rd match day
 22 February 2020
 Werder Bremen - BVB 0:2

REVENUE TREND

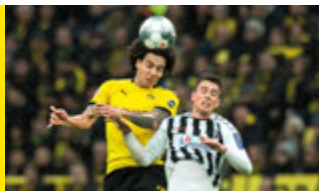
Borussia Dortmund Group – Revenue in EUR '000



- Conference, catering, miscellaneous
- Merchandising
- TV Marketing
- Advertising
- Match operations

Borussia Dortmund generated revenue of EUR 370,196 thousand in the 2019/2020 financial year, representing a decrease of EUR 60 thousand or 0.02%. Despite the massive restrictions in connection with the COVID-19 pandemic, income from advertising, TV marketing and merchandising as well as conference,

catering and miscellaneous income increased year on year. The only revenue item to decrease was income from match operations, which declined from EUR 44,659 thousand in the previous year to EUR 32,510 thousand in financial year 2019/2020.



24th match day
29 February 2020
BVB - Sportclub Freiburg 1:0



25th match day
7 March 2020
Bor. M'gladbach - BVB 1:2

The performance of the individual revenue items is described in the following:

Income from match operations

Income from match operations decreased by EUR 12,149 thousand to EUR 32,510 thousand in financial year 2019/2020.

Income from match operations for domestic competitions declined by EUR 7,795 thousand to EUR 20,419 thousand. On 13 March 2020, DFL Deutsche Fußball Liga GmbH announced that due to the growing COVID-19 pandemic, match day 26 would initially be postponed until early April. Shortly thereafter, match operations were suspended entirely. Thanks in part to the hygiene concept defined by the DFL, match days 26 to 34 were then held from mid-May until the end of June, albeit without spectators. Thus, Borussia Dortmund did not generate any income from spectators for the club's five home matches, which included the local derby against FC Schalke 04 and the match against FC Bayern Munich.

SIGNAL IDUNA PARK was virtually sold out for the first twelve home matches.

Income from domestic cup competitions declined by EUR 445 thousand to EUR 2,235 thousand. As in the previous year, Borussia Dortmund was eliminated in the third round of the DFB Cup. Unlike in the previous year, only one home match was held at SIGNAL IDUNA PARK.

Despite facing high-calibre opponents in FC Barcelona, Inter Milan and Slavia Prague in the

current financial year, Borussia Dortmund successfully navigated the group stage of the UEFA Champions League with three wins, one draw and two losses to once again advance to the round of 16, where it faced Paris Saint-Germain. In the previous season, Borussia Dortmund had also reached the round of 16 of the UEFA Champions League, where it had been paired against Tottenham Hotspur. Borussia Dortmund hosted four home matches in the UEFA Champions League, generating EUR 8,414 thousand in income from standard and hospitality tickets (previous year: EUR 7,480 thousand), representing a year-on-year increase of EUR 934 thousand.

In addition to friendlies, the US tour in July 2019 and the ticket proceeds generated by the club's other teams, Borussia Dortmund generated income of EUR 1,442 thousand in financial year 2019/2020 (previous year: EUR 6,285 thousand).

Income from advertising

In the financial year ended, Borussia Dortmund increased its advertising revenue by 1.23% to EUR 98,005 thousand (previous year: EUR 96,813 thousand), representing a share of 26.47% of total revenue.

In addition to the kit sponsor, Evonik Industries, AG, the equipment supplier, Puma, the holder of the stadium's naming rights, SIGNAL IDUNA, and the sleeve sponsor, Opel Automobile GmbH, Borussia Dortmund's Champion Partners again included nine other companies in financial year 2019/2020.



UCL round of 16
11 March 2020
Paris St. Germain - BVB 2:0



26th match day
16 May 2020
BVB - FC Schalke 04 4:0

Whereas the increase in the first half of the 2019/2020 financial year amounted to EUR 4,022 thousand, the increase amounted to just EUR 1,192 thousand for the financial year overall. The COVID-19 pandemic and the five home matches played behind closed doors as a result also had an impact on income from advertising. Many non-TV-related advertising services could not be performed at SIGNAL IDUNA PARK. Furthermore, marquee home matches such as the local derby against FC Schalke 04 and the match against FC Bayern Munich, which are big advertising draws, were held behind closed doors.

The hospitality clients were also unable to utilise all of the services. Marketing for match day packages for the final five home matches was discontinued, as was ticketing.

However, a sharp increase was recorded in the use of virtual advertising boards, which have been used on a regular basis during international live broadcasts of the first and second Bundesliga divisions since the previous financial year. Whereas fans in stadiums and viewers at home in the DACH region see the original adverts as they are presented, the stadium's existing physical advertising boards can be digitally overlaid in the broadcast signal to target different TV audiences when broadcasting matches abroad. In its second year of use, virtual advertising increased by approximately 75.69%.

Furthermore, advertising income includes bonuses for the second-place Bundesliga finish, which

directly qualified the team for the group stage of the UEFA Champions League in the 2020/2021 season, for advancing to the round of 16 of the UEFA Champions League in financial year 2019/2020 and for winning the DFL Super Cup at the beginning of the past season.

Income from TV marketing

In financial year 2019/2020, income from TV marketing once again represented the highest share of revenue (45.88%) and increased by EUR 2,487 thousand year on year to EUR 169,836 thousand. Income from both domestic and international TV marketing remained virtually level. TV marketing income from domestic cup competitions rose.

Income from domestic TV marketing amounted to EUR 97,687 thousand, down EUR 423 thousand against the prior-year reporting period. This is also attributable to the outbreak of the COVID-19 pandemic.

The total distribution that DFL Deutsche Fußball Liga GmbH had originally planned would have been approximately 9.97% higher than in the previous year. The funds could not be distributed in full as planned due to the global effects of the COVID-19 pandemic, which impacted the profitability of many companies. In addition, the league's four Champions League participants forewent a portion of the distribution in a show of solidarity. Viewed as a percentage, the share of income from international TV marketing for the Bundesliga declined more sharply.



27th match day
23 May 2020
VfL Wolfsburg - BVB 0:2



28th match day
26 May 2020
BVB - Bayern München 0:1

Income from international TV marketing amounted to EUR 67,420 thousand in the financial year (previous year: EUR 68,073 thousand). The decline of EUR 653 thousand is due to the lower performance bonus, since Borussia Dortmund amassed three wins and one draw in the group stage. Borussia Dortmund had one win more in the previous year. This was offset by the higher ranking of the participating clubs under UEFA's 10-year club coefficient ranking. In financial year 2019/2020, Borussia Dortmund once again advanced to the round of 16 of the UEFA Champions League, where it was eliminated by Paris Saint-Germain in the second-leg of the tie in front of an empty stadium. At the end of the financial year, not all quarter-final spots had been filled for the 2019/2020 UEFA Champions League. The remaining quarter-finalists will be determined from mid-August.

Unlike in the previous year, Borussia Dortmund won the DFL Super Cup, its first competitive match of the current financial year. As in the previous year, Borussia Dortmund was eliminated in the third round of the DFB Cup. Income from domestic cup competitions thus amounted to EUR 4,729 thousand (previous year: EUR 1,162 thousand).

Merchandising

In the past 2019/2020 financial year, Borussia Dortmund increased income from merchandising by 11.01% to EUR 33,292 thousand (previous year: EUR 29,989 thousand). This revenue stream was increased

despite the closure of the fan shop in compliance with the statutory provisions put in place to contain the spread of the COVID-19 pandemic. The Company's online shop in Germany recorded the highest revenue growth. However, the increase in revenue was also attributable to the expansion of the sales and distribution network following the opening of two fan shops and the launch of the Company's own international online shop.

Conference, catering and miscellaneous income

Conference, catering and miscellaneous income amounted to EUR 36,553 thousand (previous year: EUR 31,446 thousand) and also included revenue from advance booking fees, rental and lease income, release fees for national team players and fees for players on loan.

Conference and catering income, which comprises income generated by the hospitality areas, public catering services and events, decreased by EUR 3,143 thousand from EUR 16,459 thousand in the previous year to EUR 13,316 thousand. Despite the fact that the hospitality areas were completely sold out for the first twelve home matches at SIGNAL IDUNA PARK, the closure of the hospitality areas for the final five home matches meant that the Company could not match the prior-year figure. Likewise, no income from public catering was generated from mid-March onwards, and the staging of events outside of match operations was officially prohibited.



29th match day
31 May 2020
SC Paderborn - BVB 1:6



30th match day
6 June 2020
BVB - Hertha BSC 1:0

Advance booking fees and postage amounted to EUR 1,756 thousand in the current financial year, far below the previous year's EUR 4,360 thousand. This is attributable to the temporary discontinuation of season ticket sales at the end of the financial year and the lack of advance booking fees for the final five home matches.

In the reporting period from 1 July 2019 to 30 June 2020, miscellaneous income, which includes the Evonik Football Academy, rental and lease income and BVB TV, increased by EUR 3,935 thousand to EUR 10,876 thousand. This is attributable to the club's participation in this year's DFL Super Cup and the marketing of a four-part documentary series on Borussia Dortmund.

Despite fewer national team matches, release fees for national team players remained virtually level at EUR 2,711 thousand (previous year: EUR 2,750 thousand).

Income from fees for players on loan and training compensation increased sharply by EUR 6,958 thousand as compared to the previous year due primarily to the loans of the players Dženis Burnić, André Schürrle, Jeremy Toljan, Ömer Toprak and Marius Wolf. Felix Passlack, Jeremy Toljan, André Schürrle, Alexander Isak and Shinji Kagawa had been loaned out in the previous year.

Net transfer income

Net transfer income declined by EUR 42,721 thousand to EUR 40,160 thousand.

Transfer proceeds amounted to EUR 116,688 thousand (previous year: EUR 119,268 thousand).

This was attributable to the departure of the players Maximilian Philipp to FC Dynamo Moscow, Abdou Diallo to Paris Saint-Germain, Alexander Isak to Real Sociedad, Julian Weigl to Benfica Lisbon, Paco Alcácer to Villarreal CF, Jacob Bruun Larsen to TSG Hoffenheim, Sebastian Rode to Eintracht Frankfurt and Shinji Kagawa to Real Zaragoza as well as subsequent transfer proceeds stemming from previous transfer deals.

In the previous financial year, the players Christian Pulisic transferred to Chelsea FC, Sokratis Papastathopoulos to Arsenal FC and Andrey Yarmolenko to West Ham United. These transfers also generated subsequent transfer proceeds.

The residual carrying amounts and transfer costs amounted to EUR 76,528 thousand (previous year: EUR 36,387 thousand).

Other operating income

Other operating income improved by EUR 1,449 thousand year on year to EUR 9,195 thousand. In the current financial year this included primarily income from provisions, insurance reimbursements, unclaimed refunds and prior-period income of EUR 5,033 thousand. In the previous year, in addition to compensation payments and insurance reimbursements, this item included reversals of write-downs amounting to EUR 2,377 thousand and prior-period income of EUR 3,650 thousand, attributable primarily to the reversal of provisions.



31st match day
13 June 2020
Fortuna Düsseldorf - BVB 0:1



32nd match day
17 June 2020
BVB - 1. FSV Mainz 05 0:2

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Cost of materials

Cost of materials increased by EUR 1,119 thousand to EUR 22,392 thousand.

This figure included the cost of goods sold for both BVB Event & Catering GmbH and BVB Merchandising GmbH. The rise is due mainly to BVB Merchandising GmbH's increase in revenue. BVB Event & Catering GmbH's cost of materials declined on account of the prohibition on events imposed in mid-March.

Personnel expenses

In financial year 2019/2020, personnel expenses amounted to EUR 215,157 thousand (previous year: EUR 205,104 thousand).

Personnel expenses for the professional squad increased by 3.65% year on year. The increase in the base salaries amounted to EUR 9,340 thousand. Performance-based bonuses amounted to EUR 29,363 thousand and comprised annual bonuses and performance-based bonuses for playing in the group stage of the UEFA Champions League, reaching the round of 16 and automatically qualifying for the group stage of the competition in the 2020/2021 season.

In the reporting period, personnel expenses related to the retail and administration areas increased by EUR 1,012 thousand year on year to EUR 29,937 thousand.

Personnel expenses in relation to amateur and youth football amounted to EUR 12,144 thousand during the current 2019/2020 financial year (previous year: EUR 9,200 thousand).

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs rose by EUR 13,648 thousand to EUR 106,130 thousand in the reporting period.

During the period from 1 July 2019 to 30 June 2020, intangible assets – which consist primarily of Borussia Dortmund's player registrations – were amortised in the amount of EUR 88,285 thousand (previous year: EUR 65,850 thousand).

Furthermore, EUR 3,903 thousand in write-downs of intangible assets to their fair values were recorded (previous year: EUR 13,809 thousand).

Depreciation and write-downs of property, plant and equipment rose from EUR 12,823 thousand to EUR 13,942 thousand. The increase in depreciation and write-downs of property, plant and equipment was attributable primarily to investments in SIGNAL IDUNA PARK as well as the modernisation and renovation of existing areas at the training ground.

Other operating expenses

Other operating expenses increased by EUR 487 thousand from EUR 118,523 thousand in the previous year to EUR 119,010 thousand in the reporting period.

Expenses from match operations decreased by EUR 107 thousand to EUR 47,211 thousand (previous year: EUR 47,318 thousand). The five home matches held behind closed doors at SIGNAL IDUNA PARK



33rd match day
20 June 2020
Rasenballsport Leipzig - BVB 0:2



34th match day
27 June 2020
BVB - TSG Hoffenheim 0:4

led to a decline in expenses for cash desks, stewards and emergency medical services, catering on match days and football association dues, which are dependent on match operations. By contrast, an increase was recorded in travel expenses – due also in part to DFL Deutsche Fußball Liga GmbH's hygiene concept – and scouting-related expenses.

Advertising expenses also rose, by EUR 1,316 thousand. The rise in advertising income, especially the year-on-year increase in virtual advertising, led to an increase in commissions paid to SPORTFIVE Germany GmbH. Other advertising measures also increased.

Transfer expenses declined by EUR 2,571 thousand to EUR 4,654 thousand. These expenses primarily include loan and training compensation.

Administrative expenses decreased by EUR 849 thousand to EUR 25,352 thousand in the financial year ended. This decline was due primarily to the year-on-year decrease in cost and profit allocations and lower other travel expenses. By contrast, legal and consulting fees as well as the IT expenses increased in the past financial year.

Other expenses increased by EUR 2,216 thousand to EUR 8,341 thousand. These primarily include valuation allowances and losses on disposals of non-current assets.

Financial result

The financial result for financial year 2019/2020 amounted to EUR -3,445 thousand (previous year: EUR -1,692 thousand) and breaks down as follows:

The investment income amounted to EUR -1 thousand (previous year: EUR 13 thousand).

Interest income amounted to EUR 287 thousand (previous year: EUR 427 thousand) and related primarily to compounding and restatements relating to subsequent measurement in accordance with IFRS 9.

Interest expenses amounted to EUR 3,731 thousand (previous year: EUR 2,132 thousand) and comprised mainly financing charges of EUR 1,452 thousand, discounting effects of EUR 1,263 thousand and EUR 281 thousand in restatements connected with remeasurements in accordance with IFRS 9.

Tax expense

Taxes on income amounted to EUR 2,630 thousand in the current financial year (previous year: EUR -4,418 thousand).

These related primarily to gains on the recognition of unutilised loss carryforwards.

In the previous year, the tax expense included EUR 1,742 thousand in tax expenses relating to the 2018/2019 financial year and expenses of EUR 2,942 thousand in respect of changes in deferred taxes.

ANALYSIS OF CAPITAL STRUCTURE

DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

As at 30 June 2020, total assets amounted to EUR 517,967 thousand, representing an increase of EUR 17,896 thousand as compared to 30 June 2019.

Non-current assets increased by EUR 69,740 thousand to EUR 441,455 thousand as follows:

The rise in intangible assets is due primarily to additions amounting to EUR 226,793 thousand (of which EUR 226,336 thousand in player registrations), which were partly offset by disposals and reclassifications of non-current

intangible to assets held for sale of EUR 72,551 thousand as well as amortisation and write-downs of EUR 88,285 thousand.

Property, plant and equipment increased by EUR 23,149 thousand. The additions were offset by EUR 171 thousand in disposals and EUR 13,942 thousand in depreciation. The additions were attributable mainly to the investments to expand the training ground, in the stadium and in the administration building.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

ASSETS	30/06/2020		30/06/2019	
	EUR '000	in %	EUR '000	in %
Non-current assets				
Intangible assets	229,667	44.3	163,710	32.7
Property, plant and equipment	193,037	37.3	184,001	36.8
Investments accounted for using the equity method	321	0.1	322	0.1
Financial assets	32	0.0	52	0.0
Trade and other financial receivables	12,680	2.4	9,743	1.9
Prepaid expenses	5,718	1.1	13,887	2.8
	441,455	85.2	371,715	74.3
Current assets				
Inventories	6,754	1.3	4,569	0.9
Trade and other financial receivables	36,520	7.1	30,061	6.1
Tax assets	375	0.1	1,801	0.3
Cash and cash equivalents	3,317	0.6	55,865	11.2
Prepaid expenses	9,901	1.9	15,026	3.0
Assets held for sale	19,645	3.8	21,034	4.2
	76,512	14.8	128,356	25.7
	517,967	100.0	500,071	100.0

Non-current trade and other financial receivables increased from EUR 9,743 thousand to EUR 12,680 thousand due primarily to transfer receivables.

Current assets decreased by EUR 51,844 thousand to EUR 76,512 thousand, which is attributable mainly to the decline of EUR 52,548 thousand in cash and cash equivalents to EUR 3,317 thousand and reclassifications to assets held for sale from EUR 21,034 thousand to EUR 19,645 thousand.

Short-term trade receivables and other financial receivables increased by EUR 6,459 thousand to EUR 36,520 thousand. The increase is due mainly to claims to income from international and national TV marketing as well as receivables from advertising partners.

Inventories increased by EUR 2,185 thousand to EUR 6,754 thousand.

Prepaid expenses decreased by EUR 13,294 thousand to EUR 15,619 thousand in the reporting period.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EQUITY AND LIABILITIES	30/06/2020		30/06/2019	
	EUR '000	in %	EUR '000	in %
Equity				
Subscribed capital	92,000	17.8	92,000	18.4
Reserves	213,560	41.2	263,032	52.6
Treasury shares	-113	0.0	-113	0.0
Equity attributable to the owners of the parent company	305,447	59.0	354,919	71.0
Non-current liabilities				
Lease liabilities	20,054	3.9	8,381	1.7
Trade payables	69,627	13.4	1,500	0.3
Other financial liabilities	0	0.0	7,204	1.4
Deferred tax liabilities	0	0.0	2,679	0.6
Deferred income	230	0.0	0	0.0
	89,911	17.3	19,764	4.0
Current liabilities				
Financial liabilities	8,031	1.6	0	0.0
Provisions	0	0.0	1,671	0.3
Lease liabilities	4,350	0.8	3,127	0.6
Trade payables	67,432	13.0	60,650	12.1
Other financial liabilities	39,115	7.6	33,655	6.7
Tax liabilities	40	0.0	811	0.2
Deferred income	3,641	0.7	25,474	5.1
	122,609	23.7	125,388	25.0
	517,967	100.0	500,071	100.0

As at 30 June 2020, Borussia Dortmund's equity amounted to EUR 305,447 thousand. This corresponds to an equity ratio of 58.97% (previous year: 70.97%). Subscribed capital remained level at EUR 92,000 thousand.

Changes in current and non-current liabilities were as follows:

Borussia Dortmund reported liabilities of EUR 212,520 thousand as at 30 June 2020.

These increased by EUR 67,368 thousand to EUR 212,520 thousand.

Changes in total current and non-current liabilities were as follows:

Provisions decreased by EUR 1,671 thousand to EUR 0 thousand. The provisions were reversed on account of new information pointing to positive developments in the legal proceedings and the resulting remeasurement.

Lease liabilities increased from EUR 11,508 thousand to EUR 24,404 thousand in the reporting period. The increase is due primarily to the construction of the new offices for the sports management team as well as the commissioning of new flood lights and new advertising boards in the upper stands at SIGNAL IDUNA PARK.

Repayments of liabilities amounted to EUR 3,929 thousand.

Non-current trade payables increased by EUR 68,127 thousand to EUR 69,627 thousand. Current trade payables also increased by EUR 6,782 thousand to EUR 67,432 thousand, due primarily to higher transfer liabilities.

Other financial liabilities decreased by EUR 1,744 thousand to EUR 39,115 thousand.

Tax liabilities decreased from EUR 811 thousand to EUR 40 thousand.

No deferred tax liabilities were reported as at the end of the reporting period.

Deferred income decreased by EUR 21,603 thousand to EUR 3,871 thousand, which was due primarily to the discontinuation of season ticket sales for the next season on account of the COVID-19 pandemic.

As at the end of the reporting period, Borussia Dortmund reported EUR 8,031 thousand in overdraft facilities, which it had drawn down, under current financial liabilities.

ANALYSIS OF CAPITAL EXPENDITURE

In the past financial year, Borussia Dortmund invested EUR 152,736 thousand in intangible assets. This amount was invested almost entirely in the player base.

Cash payments for property, plant and equipment during the same period amounted to EUR 6,205 thousand and primarily included fixtures and expansions at SIGNAL IDUNA PARK, the administration building as well as at the training ground in Brackel.

The focus of future investments will firstly continue be on the project to expand BVB's training centre.

The training ground and youth academy will be enhanced in stages over the period up to 2021. This involved acquiring further adjacent land and opening a new fitness area. Other steps are currently being implemented.

Secondly, Borussia Dortmund is still designing its new fan and youth centre which will be located on the Strobelallee. The centre will offer a variety of programmes intended above all to improve communication with the fans and to establish it as a type of community centre for fans. There are also plans to further develop and expand the infrastructure and the areas in and around SIGNAL IDUNA PARK.

ANALYSIS OF LIQUIDITY

As at 30 June 2020, Borussia Dortmund held unrestricted cash funds of EUR 3,317 thousand. Borussia Dortmund also had access to an additional EUR 60,000 thousand in overdraft facilities, of which EUR 8,031 thousand had been drawn down as at the end of the reporting period.

Cash flows from operating activities amounted to EUR -362 thousand (previous year: EUR 28,710 thousand).

NET ASSETS

Borussia Dortmund's total assets increased from EUR 500,071 thousand to EUR 517,967 thousand. Fixed assets rose by EUR 74,972 thousand to EUR 423,057 thousand.

Trade and other financial receivables increased due primarily to higher transfer receivables.

Prepaid expenses decreased by EUR 13,294 thousand to EUR 15,619 thousand.

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT

Borussia Dortmund ended the 2019/2020 financial year with consolidated net loss for the year of EUR 43,953 thousand.

Taking into account the net loss for the year, the equity ratio is calculated at 58.97%. As at the end of the reporting period, Borussia Dortmund held unrestricted cash funds of EUR 3,317 thousand. Borussia Dortmund also had access to an additional EUR 60,000 thousand in overdraft facilities, of which EUR 8,031 thousand had been drawn down as at the end of the reporting period.

Due to the Bundesliga's temporary suspension and subsequent resumption of match operations behind closed doors on account of the COVID-19 pandemic, Borussia Dortmund recorded declines in nearly all streams of revenue.

Consequently, business development during financial year 2019/2020 was not satisfactory.

REMUNERATION REPORT

The structure of the management remuneration system is defined and regularly reviewed by the Executive Committee of the Advisory Board. The Executive Committee of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH is also responsible for setting the remuneration of the individual executives and for defining the appropriate amount of remuneration. The appropriate remuneration level is defined in particular on the basis of the specific executive's responsibilities and performance, as well as on the basis of Borussia Dortmund's financial position, performance and future prospects.

Executive remuneration consists of two components: a fixed amount and a variable component. The fixed component is stipulated by contract, takes into account the sporting success achieved and is paid out in twelve equal monthly instalments. The variable component is based on the business trend and is dependent on net income for the year before tax and the managing directors' remuneration. Any

additional non-cash or ancillary benefits granted relate primarily to insurance benefits at standard market conditions and the provision of a company car. The Company does not offer any stock option plans or similar incentive plans. The remuneration components provided are reasonable both in and of themselves and taken as a whole (see Note 35 to the consolidated financial statements).

Remuneration of the Supervisory Board is governed by Article 13 of the Articles of Association, pursuant to which each member of the Supervisory Board receives fixed remuneration amounting to EUR 24 thousand; the Chairman receives twice that amount and the Deputy Chairman one and a half times that amount. Value added tax is reimbursed to the members of the Supervisory Board.

The disclosures required by § 285 no. 9 HGB are included in the notes to the consolidated financial statements under Notes 35 and 37.

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE ACCOUNTING PROCESS

The key features of the accounting process-related internal control and risk management system employed by Borussia Dortmund can be described as follows:

- Borussia Dortmund distinguishes itself through its clear organisational and corporate structures as well as its control and monitoring structures.
- The internal control and risk management systems as they relate to the accounting process form an integral part of operational and strategic planning processes.
- Responsibilities have been clearly assigned in all areas of the accounting process (such as financial accounting and management cost accounting).
- Reporting is carried out in monthly, quarterly, semi-annual and annual intervals, whereby a distinction is made between matters requiring immediate action by the Company and those involving Company strategy.
- The computer systems used in accounting are protected against unauthorised access.
- An adequate system of internal guidelines has been established and is updated as needed.
- The departments involved in the accounting process fulfil quantitative and qualitative requirements.
- The completeness and accuracy of the accounting data is checked regularly by reviewing samples and conducting plausibility tests, both manually and by means of software employed for this purpose.
- The principle of dual control is adhered to at all points in the Company's accounting-related processes.
- The management receives reports at scheduled intervals throughout the process or more frequently if necessary.
- The Supervisory Board deals with the key accounting issues, risk management and the audit assignment, among other things.

The accounting process-related internal control and risk management system, the key features of which are described above, ensures that transactions can be correctly recorded, prepared and accounted for in the financial statements.

OPPORTUNITY AND RISK REPORT RISK MANAGEMENT

RISK MANAGEMENT

Borussia Dortmund's divisions are exposed to a wide variety of risks that are inseparably linked to the conduct of business.

The sections below focus on possible future developments or events which could cause Borussia Dortmund to perform either better than expected (opportunities) or worse than expected (risks). The respective impact of opportunities and risks are generally presented separately and are not offset against one other. Generally speaking, risks and opportunities are assessed over a mid-length term of two years. All risks of loss to which the Company is exposed (individual and cumulative risks) are monitored and managed within the risk management system.

The consolidated group for risk management purposes is identical to the consolidated group in the consolidated financial statements

A functioning control and monitoring system is essential for identifying risks early and for assessing and counteracting them. It is the responsibility of the internal risk management system to monitor and control such potential risks.

The risk management system is based on principles and guidelines laid out by the management. These principles and guidelines are designed to facilitate the early identification of any irregularities so that appropriate countermeasures can be taken immediately. In order to ensure the highest possible level of transparency, risk management has been incorporated into the organisational structure of the Group as a whole. All departments and divisions are required to immediately report any market-relevant changes in the risk portfolio to the management. The risk management system is also an integral component of the overarching planning, steering and reporting process.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile.

This ensures that the Company's decision-makers have adequate flexibility to be able to monitor and manage risks.

This year, the risk inventory procedure implemented with the objective of cataloguing and assessing all risks has again proven effective as a management tool. Risks are identified, discussed and reviewed in consideration of current circumstances in one-on-one meetings or plenary sessions in order to assess the current likelihood of their occurring and their potential consequences.

Each risk is given a qualitative rating of between 1 and 4, with 1 indicating a low level of risk and 4 indicating a very high level of risk.

A risk impact assessment is carried out both before and after the identification and development of countermeasures to reduce the risk. The risk impact assessments are weighted before and after countermeasures based on a ratio of 1:2, with weighting prioritising the probability and consequences of each risk after countermeasures take effect. In mathematical terms, the risk impact assessment (before countermeasures) is derived by adding the probability of the risk and its consequences before countermeasures, while the assessment (after countermeasures) is derived by adding the probability of the risk and its consequences, and multiplying this figure by two.

Example

Before countermeasures:			
Probability	2	2+3=5	5
Consequences	3		
After countermeasures:			
Probability	1		
Consequences	2	(1+2)x2=6	6
TOTAL			11

If the assessment of an individual risk falls within the top third of the scale (a score of 17 to 24), Borussia Dortmund classifies it as a high-priority risk. Particular attention is paid to such risks, since they are capable of having a material adverse and long-term effect on the Company's assets, liabilities, financial position and profit or loss. There are currently 23 (previous year: 19) risks that are classified as high priority.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile.

This ensures that the Company's decision-makers have adequate flexibility to be able to monitor and manage risks.

Categorisation of risks

In accordance with the recommendations under German Accounting Standard DRS 20, and to ensure ease of reference, Borussia Dortmund divides its risks into main categories. The nine defined main categories (strategic risk, personnel risk, macroeconomic risk, competitive risk, liquidity risk, interest rate risk, credit risk, resources risk and ecological risk) are presented and explained in greater detail below.

All 62 risks that could have a direct impact on the Company fall within these categories. In addition to the 61 risks in the previous year, one new risk was added.

Five new risks (change in income from TV marketing, bad debts due to insolvency, maintaining liquidity, interruptions to match operations, and outbreak of epidemics/pandemics) were added to the 19 risks that had been classified as high-priority in the past period. After reassessing the risk of being relegated, this risk is no longer classified as a high-priority risk. No risks were removed.

Further to the notes on opportunities and risks in the 2018/2019 Annual Report, the focus during the current reporting period (financial year 2019/2020) was primarily on the impact of the COVID-19 pandemic.

In addition to the health risks and the obligation to protect the health of the employees, the strict regulations and restrictions on public life imposed by the federal and state governments have severely impacted the global economy, including the football sector and with it Borussia Dortmund. Therefore, Borussia Dortmund has classified the outbreak of epidemics/pandemics as a new, stand-alone high-priority risk. Previously, this risk was included in the risk of interruptions to match operations. This is no longer appropriate given the risk's profound impact and it has therefore been classified as a stand-alone individual risk.

The high-priority risk of an outbreak of epidemics/pandemics also greatly affects nearly all of the existing risk categories, primarily:

- Strategic risk
- Personnel risk
- Competitive risk
- Macroeconomic risk
- Liquidity risk

The following is a discussion of the 23 high-priority risks in their respective categories.

Category 1 – strategic risk

We define strategic risk as risk arising from incorrect business decisions, poor implementation of decisions or the inability to adapt to changes in the corporate environment. Strategic risk also arises from unexpected changes in market conditions and the environment in which the Company operates, which bring with them negative consequences for the Company's assets, liabilities, financial position and profit or loss.

This category includes three high-priority risks:

The risk that financial planning is dependent on sporting success describes the risk that failing to achieve planned sporting objectives could lead to a lack of adequate income or proceeds. To account for any and all developments both on and off the pitch, the Company revises and updates its longstanding financial and liquidity planning at least three times per year based on the latest premises. In addition to the income statement and the statement of financial position, this also includes the development of Borussia Dortmund's liquidity. It allows the management to monitor the current and future financial position of the Company at all times and to take any necessary action. Due to developments with regard to income from international TV marketing in particular, the amount that a club is certain to receive for a given subsequent season varies greatly from a second-place finish to a seventh-place finish in the Bundesliga. Qualifying for the UEFA Champions League guarantees much higher proceeds than qualifying for the UEFA Europa League, let alone if the team fails to qualify for any international competition at all. The objective of a corresponding worst case scenario is not to predict the future but rather to provide an overview of various contingencies and their effects and to better assist the management in its strategic planning.

Share price performance describes the performance of a security, an index, shares or a portfolio, but also the performance of the management of an investment fund with respect to its investment objectives. The Group is very conscious of the risk

associated with the performance of Borussia Dortmund's shares and continually analyses the Company's value on the capital market and the consequences of it being undervalued. A key component of this risk is the impact of these factors on potential corporate action in the future and the Company's appeal to business partners. This risk is countered through continual communication with the capital market. The shares have been listed on the Prime Standard segment of the Frankfurt Stock Exchange since May 2014 and are also admitted to trading on the SDAX. During the current financial year, Borussia Dortmund again held several roadshows in Europe and the United States, either on site or via conference call on account of the COVID-19 pandemic, in an effort to keep existing investors up to date and bring any prospective investors on board.

Borussia Dortmund considers the third risk in this category to be the risk of conflicting goals of sporting and commercial success. It is important that Borussia Dortmund continues to pursue balanced business policies with the aim of ensuring that the club remains competitive and also focussed on meeting the Group's performance indicators. Borussia Dortmund will continue to avoid financial risks that could arise on account of uncertain sporting successes. As in previous years, Borussia Dortmund further counters this risk by setting strict budgets for the individual divisions and undertaking corporate planning on a revolving basis using various planning scenarios. Furthermore, the Company also uses planning scenarios to calculate various earnings and liquidity effects potentially presenting additional opportunities for financial investment or shortfalls. Balancing the need to remain competitive on the pitch with the need for economic stability and success, while simultaneously taking into account the corresponding countermeasures that have already been taken to reduce the likelihood of the risk from occurring, is of fundamental importance, especially in exceptional circumstances such as the current COVID-19 crisis. Various planning scenarios were calculated specifically during the COVID-19 crisis.

The conclusion of long-term, strategic, and in some cases new agreements with Evonik Industries AG (primary sponsor) and the new second primary sponsor 1&1, PUMA International Sports Marketing B.V. (new agreement until 2028), SIGNAL IDUNA Krankenversicherung a. G. and Opel Automobile GmbH ensures planning security and continuity.

Category 2 – personnel risk

The importance of human resources to companies is growing. The Company's success is largely dependent on the commitment, motivation and skills of both its sporting personnel and managerial/administrative staff.

This category currently includes three high-priority risks:

Protecting confidential information is a subject that remains in the public eye. Never before has data protection posed so many challenges. In particular, the increasing internationalisation of day-to-day business operations necessitates a detailed understanding of the respective data protection regulations applicable in individual countries. In addition, technical progress harbours many pitfalls, especially in relation to online data. Hackers stepped up their attacks in recent years, releasing the personal data of politicians, celebrities and others. Action has to be taken to prevent the unauthorised access and manipulation of data. Confidential data that is processed, transferred or stored online must be encrypted. The data should remain encrypted and protected even if the online application is compromised. The IT security officers, the heads of the individual application areas and the data protection officers are responsible for initiating the data; the developers and administrators are responsible for implementation.

An external service provider was engaged to raise employee awareness of data protection issues and to prevent potential violations.

The risk of periods during which professional players are unable to play (rest periods) can have a major impact on the Company's success, because they mean that team managers are unable to play the best possible team for the entire season, putting sporting goals in jeopardy. The absence of key players in particular is often difficult to compensate for. The reasons for rest periods include personal match bans, injury, excessive stress or a COVID-19 virus infection. The systematic implementation of DFL's hygiene concept minimises the risk that the professional squad and the coaching and support staff will contract the COVID-19 virus. We deliberately ensure that back-ups are available for every position within the squad so that we can absorb the absence of any individual player.

There continues to be a risk of travel and other accidents and terrorist attacks in the world of sport; therefore, Borussia Dortmund continues to classify this risk as high priority.

Category 3 – macroeconomic risk

Macroeconomic risk arises as a result of Borussia Dortmund's dependence on general economic and political developments.

There are currently six high-priority risks that fall under macroeconomic risks:

Previously, the risk of an outbreak of epidemics/pandemics was included in the risk of interruptions to match operations. In order to account for the gravity of the risk, the risk of an outbreak of epidemics/pandemics was classified as a new, stand-alone high-priority risk.

An epidemic is when a disease spreads unusually quickly in a certain region in a short period of time. A pandemic is an epidemic that spreads beyond the borders of a particular country or even continent. Aside from the health consequences, the COVID-19 crisis has thus far particularly impacted Borussia

Dortmund's streams of revenue. This year's income from TV marketing was lower than budgeted. Approximately EUR 4.4 billion in total will be distributed to the clubs in the first and second Bundesliga divisions over the course of the next four seasons (2021/2022–2024/2025), provided match operations will be held. In addition to the losses with respect to TV marketing, no income was generated from ticket sales for the remaining five home matches after match operations were resumed, and any income already received from season or match day tickets was refunded. The same applied to any VIP/hospitality income. At this time it is not yet clear when income will again be generated from ticket sales in the coming season. Due to the lack of match operations and the closure of SIGNAL IDUNA PARK, the income from catering on match days and from stadium tours and events was completely eliminated; this also temporarily affected the sales at the fan shops. The COVID-19 crisis, and the matches played behind closed doors as a result, have also led to declining proceeds from sponsors. Due to the economic slump, it may be difficult to adequately replace all of the advertising agreements that are set to expire. Consequently, advertising income is expected to be lower in the coming season. In line with the tense global economic situation, the transfer market will (probably) also cool off. While Borussia Dortmund cannot rule out that transfer proceeds for players will (temporarily) decline in coming transfer windows, it still expects opportunities to obtain high transfer proceeds for players in individual cases.

Borussia Dortmund has classified unfavourable macroeconomic developments, particularly high unemployment and slow economic growth or an economic downturn, as a further risk in this category. In light of the severe effects of the COVID-19 pandemic, the Hamburg Institute of International Economics (HWWI) has revised its 2020/2021 economic forecast for Germany. The entire global economy will be severely impacted by the crisis. The German economy has slipped into a deep recession

as restrictions were placed on global economic relationships and protective measures enforced in Germany. Economic activity in many industries and sectors was severely curbed or even brought to a standstill in the spring. How quickly the economy will recover depends in particular on the further course of the pandemic.

The risk of right-wing extremism is a societal risk that continues to increase. Borussia Dortmund continues to stand firmly against right-wing extremism and discrimination. Borussia Dortmund counters this risk through prevention efforts and disciplinary action, acting in concert with a broad network of cooperation partners. By clearly speaking out against racism and discrimination as well as by working to combat right-wing attitudes and hate speech and to ensure that the lessons of the past are never forgotten, Borussia Dortmund will continue to fulfil its social responsibility by ensuring that the atmosphere in and outside the stadium is welcoming, cosmopolitan and diverse.

The increased willingness of certain individuals to commit violence and defame and insult others at stadiums is a risk that will continue to require the utmost attention. Fan violence remained an important issue during reporting period.

Prevention efforts and security plans ensured that potentially violent groups were identified in advance, helping to prevent altercations to the greatest extent possible. Borussia Dortmund will continue to counter this risk with enhanced security checks, camera surveillance, stadium bans and criminal complaints. Additional stadium safety measures will continue to include specific structural changes to entrances going forward.

In connection with the dispute about who should cover the costs of providing security at home matches, the clubs of the first and second Bundesliga divisions voted on 3 December 2019 that the costs incurred by the Bremen police should be borne in full

by SV Werder Bremen. The clubs also resolved that SV Werder Bremen could defer a partial amount of 50% until a final ruling on the legal dispute was issued by the Federal Constitutional Court, and to reject a fund model of any kind.

Passing these costs on to the Bundesliga clubs would present an earnings and liquidity risk for those clubs, Borussia Dortmund included.

The categorisation of social media activities as a high-priority risk reflects the fact that new technologies not only have potential for development, but also harbour risk potential.

Social media is no longer used solely for communicating with fans and followers, but increasingly also serves as an advertising platform for marketing and sponsoring-related activities.

In order to safeguard the Company's image and prevent the unauthorised disclosure of internal information, all Borussia Dortmund employees must adhere to the Company's social media guidelines.

Category 4 – competitive risk

Competitive risk relates to factors stemming from competition in the domestic and international professional football business.

Borussia Dortmund last played in the second Bundesliga division between 1972 and 1976. The most recent time Borussia Dortmund was stuck in the relegation zone was during the winter break of the 2014/2015 season. Without exception, Borussia Dortmund has qualified for international cup competitions every year since the 2009/2010 season. Consequently, the risk of being relegated to the second Bundesliga is no longer classified as a high-priority risk.

This category includes seven high-priority risks:

Interruptions to match operations can have immense economic ramifications because nearly all of Borussia Dortmund's streams of revenue are dependent on or

influenced by match operations. Accordingly, this risk is now classified as a high-priority risk. The temporary suspension of match operations due to the COVID-19 pandemic during the 2019/2020 season has underscored how economically dependent the club is on a trouble-free season. The 2019/2020 season was completed thanks to the systematic implementation of DFL's hygiene concept.

The change in income from TV marketing has also been classified as a new high-priority risk in the wake of the COVID-19 crisis. After DFL Deutsche Fußball Liga's auctions for TV rights led to a steady rise in income from TV marketing in recent years, the COVID-19 crisis meant that this year's auction for the 2021/2022 to 2024/2025 seasons did not bring as much income for the clubs of the first and second Bundesliga divisions as in previous rights periods; in total, EUR 4.4 billion will be distributed in the coming four years.

Since the future instalments of TV marketing income to be paid by DFL Deutsche Fußball Liga to the clubs depend on how the COVID-19 pandemic develops and whether the clubs can continue to play in the coming season, this income, which makes up a significant share of revenue, is subject to uncertainty.

According to UEFA, Financial Fair Play is about improving the overall financial health of European club football. The regulations first entered into force in 2011 and serve as a catalogue of measures for clubs competing in UEFA's international club competitions. Clubs in breach of the regulations face penalties up to and including bans. In practice, Financial Fair Play governs the ratio of revenue to expenditures. The risk of failing to comply with the Financial Fair Play rules and potential exclusion from international competitions or potential financial sanctions would have serious financial consequences for Borussia Dortmund. The distribution amounts from UEFA's TV marketing agreement that went into force in the 2018/2019 season, underscores the importance of both qualifying

and obtaining the requisite licences for international club competitions. To minimise this risk therefore, compliance with the relevant requirements and target/actual comparisons are constantly reviewed. Several European clubs have already been disciplined and banned from international competitions for violating Financial Fair Play rules. In connection with the COVID-19 crisis, UEFA relaxed several of its rules governing licensed players for its club competitions in the 2020/2021 season.

As past experience has demonstrated, the risk of key players switching clubs can materialise at any time at Borussia Dortmund. The departure of key players who are part of the club's future plans would not only weaken the team at certain positions, but also as a whole. Even if success rarely rests on the shoulders of any single player, any unexpected departures would leave holes in the roster that would need to be filled at short notice with players of equal quality. In an attempt to mitigate the sporting consequences of key players switching clubs, Borussia Dortmund plans its roster well in advance, including by binding players to long-term contracts, uses its high transfer proceeds to reinvest in the squad and employs a wide network of scouts.

The further risk in this category is the risk of a potential stadium catastrophe. Stadium catastrophes can include fire, stampedes, potential terrorist attacks or other acts of violence. Going forward, the Company will continue to regularly assess the quality and reliability of security staff and specifically train them in the prevention of catastrophes. Structural improvements to SIGNAL IDUNA PARK for the purposes of enhancing security, safeguarding and monitoring the access roads, and safeguarding the property during visits on non-match days are just some of the countermeasures currently being implemented by the club's Security department to provide security at the stadium.

Borussia Dortmund uses the summer break each year to invest in SIGNAL IDUNA PARK as well as for construction work and refurbishments. The

stadium has been expanded three times since opening in 1974 with a capacity of 54,000. The continual repair and maintenance work – the paramount focus of which is always structural integrity and safety – ensures that the stadium meets the latest standards in terms of safety, security and comfort. Compared to many other Bundesliga stadiums that were constructed for the 2006 World Cup, SIGNAL IDUNA PARK is one of the league's oldest stadiums in use. Given that Borussia Dortmund regularly invests large sums in SIGNAL IDUNA PARK and in light of the increasing requirements applicable to stadiums, including with respect to spectator safety, the club has classified capital expenditures needed for SIGNAL IDUNA PARK as a high-priority risk.

The risk of consequential damage arising from mining, which also affects SIGNAL IDUNA PARK, represents another high-priority risk. Coal mining has ceased in Germany. While the memories remain, so do the pitfalls, because the effects of mining never fully disappear. Hardly any other federal state is faced with as many sinkholes as North Rhine-Westphalia. The state has some 60,000 abandoned mining shafts and tunnels. The exact number is not known because mining in the region dates back to the Middle Ages. Only half of all pits and tunnels have been recorded.

Borussia Dortmund uses the properties adjacent to SIGNAL IDUNA PARK for car parks or to store products and equipment needed for match operations. The southwest container and logistics area is located on land with uncertain topography, which is why sinkholes and similar subsidence cannot be ruled out. An external service provider was recently engaged to determine to what extent geogrids (instead of fill dirt) could possibly be used to sufficiently reinforce the areas in question. Geogrids help among other things to stabilise the subsoil during construction. They reinforce loose mineral layers such as sand and soil. Geogrids distribute static loads across a large area of the subsoil. The aim is to increase or establish load-bearing capacity and to prevent significant

subsidence at isolated points without the need for costly and time-consuming efforts to replace the soil with materials with higher load-bearing capacities.

Category 5 – liquidity risk

Liquidity risks include all risks in connection with cash flows and financial burdens.

This category includes four high-priority risks:

The loss of significant financial backers and sponsors due to insolvency could also have a material adverse effect on Borussia Dortmund's liquidity in the future. Greater attention is being placed on the potential loss of significant financial backers and sponsors and the introduction of corresponding countermeasures precisely because of the current COVID-19 crisis and the associated adverse economic consequences for the German and global economy. Borussia Dortmund continuously revises its longstanding accounts receivable management system in line with the prevailing conditions and increasing globalisation. The club also reviewed and implemented other risk mitigation measures such as introducing upfront payments or changing payment terms. Borussia Dortmund is also in close contact with its customers and its sponsoring marketing firm SPORTFIVE Germany GmbH.

At present, it is difficult to forecast and remains to be seen how open companies will be to becoming sponsors in the near term during and after the COVID-19 crisis.

In the wake of the COVID-19 crisis, the risk of bad debts due to insolvency has been classified as a new high-priority risk.

Economists expect that the COVID-19 crisis will lead to one of the sharpest economic declines in Germany and the world in the post-war era. This will also impact the solvency of companies and football clubs alike. Borussia Dortmund anticipates

that problems could arise with regard to transfer receivables. The primary objective continues to be keeping bad debts to a minimum and to ensure that the Company has the liquidity it needs at all times. That is why following through on action already taken is all the more important. Dunning procedures are particularly vital in this respect. Furthermore, additional action was taken to ensure liquidity and counter any potential bad debts.

Borussia Dortmund places utmost importance on maintaining its liquidity and, after reassessing its risks following the outbreak of the COVID-19 pandemic, has therefore classified the risk associated with this as another high-priority risk. The financial and liquidity planning apparatus that has been in place for many years considers a variety of scenarios and different premises, and is regularly adjusted to account for current conditions. A wide variety of scenarios were calculated, particularly during the course of the COVID-19 pandemic, to identify any liquidity bottlenecks early and to initiate appropriate countermeasures designed to secure liquidity.

In order to keep the risk associated with the volume of player salaries as low as possible, the club budgets personnel expenses with transfer deals in mind at the beginning of each season. The primary focus is on the fixed components of the players' remuneration, since these are independent of the team's performance during a given season. Variable remuneration components are also considered when planning the budget, but generally only apply once certain sporting objectives are achieved that in turn generate additional income. The personnel expenses incurred are continuously monitored, extrapolated on the basis of current circumstances, and reported to the management.

The Group is not presently exposed to any high-priority risks in the **interest rate risk, credit risk, resources risk and ecological risk** categories.

OPPORTUNITIES

By once again directly qualifying for the UEFA Champions League, the club again has the opportunity to consolidate its standing as one of Europe's top teams and to once more share in the profits distributed for participating in the lucrative competition.

Borussia Dortmund's approach to its squad is one of continuity. Lucien Favre enters his third season as head coach of Borussia Dortmund, having steered the team to two second-place league finishes in a row. Head coach Lucien Favre, sporting director Michael Zorc, Sebastian Kehl as Head of the Professional Squad and Matthias Sammer as an external advisor further strengthened their partnership, working together more closely to identify additional areas for improvement and change. The squad continued to grow together as a team and achieved greater balance, especially in the second half of the 2019/2020 season. This was helped in part by winter signings Emre Can and Erling Braut Haaland, who had no problems integrating into the team and immediately had a positive impact on their teammates. For the coming season, Borussia Dortmund signed Thomas Meunier, an experienced defender who is expected to help bring the young squad to the next level with his maturity, and Jude Bellingham, a young, up-and-coming highly-

talented player with enormous potential who is expected to steadily further his development at Borussia Dortmund. The healthy mix of grit, leadership and young ambition as well as consistency with regard to the management of the squad is expected to help the team unlock its full potential and achieve the greatest possible success on the pitch.

Borussia Dortmund has an excellent team, a fact that is not lost on other top European clubs. Accordingly, there is always the possibility of lucrative transfers.

Borussia Dortmund sees further potential in its youth setup, where it lays the foundation for its sporting success. To this end, the club added new offices for the sports management team at the Brackel training ground. This investment will help to further consolidate all the areas under the direction of the Sports department. Borussia Dortmund hopes the direct proximity to the training ground will help it work with greater efficiency and purpose and further optimise its pipeline of talented youngsters for the senior team. In the past season, Giovanni Reyna, another one of the club's youth standouts, made the jump to the senior side and helped the team with his youthful exuberance. Other talented youngsters are also set to make the senior team.

Borussia Dortmund maintains close and longstanding partnerships with its sponsors. During times of crises, this continuity was also a reflection of the close and trusting relationships. These good relationships built on trust and the solidarity displayed during crises also provide planning security. Borussia Dortmund also believes it has good opportunities to adequately replace sponsoring agreements that are set to expire by leveraging its appeal to sign lucrative new contracts.

Since personal contact has been severely restricted during the COVID-19 pandemic, communicating digitally with fans is more important than ever. New digital formats were and will be created for this reason. This increased focus on digital communications affords us the opportunity to strengthen the bonds our fans have with the club despite not being able to attend matches, and to grow Borussia Dortmund's fan base.

OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES

With regard to the risks discussed in this report and the review of the overall risk position, no risks were identified in the financial year under review that could lead to a permanent or material deterioration in the financial position or financial performance of either the Group or its individual companies.

Thanks to its risk management system, Borussia Dortmund is in a position to comply with the statutory provisions on control and transparency in the Company.

A review of the risk situation revealed that none of the individual risks defined within the risk areas jeopardise the continued existence of Borussia Dortmund.

REPORT ON EXPECTED DEVELOPMENTS

EXPECTED DEVELOPMENT OF THE COMPANY

Borussia Dortmund finished the 2019/2020 season in second place with 69 points, qualifying directly for the lucrative group stage of the UEFA Champions League in the coming season. Borussia Dortmund has thus qualified for an international

cup competition for the eleventh time in a row since the 2010/2011 season.

Borussia Dortmund will face FC Bayern Munich in this year's DFL Super Cup on 30 September 2020.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

The summary of the expected general economic environment is dominated by the effects of the COVID-19 pandemic. The strict lockdown measures enacted in recent weeks are currently being steadily eased.

Essentially, the basis for all pending decisions is the fight against the COVID-19 pandemic. Thus, as far as professional football is concerned, it is important that the associations remain in regular contact with the health authorities. A coordination group with representatives from DFL, DFB and the state associations was formed for this purpose.

DFL Deutsche Fußball Liga GmbH took the postponed final of the UEFA Champions League and Bundesliga relegation matches into account when it drew up the fixture schedule for the 2020/2021 season. The season is scheduled to kick off on 18 September 2020.

Income from match operations are directly tied to allowing spectators to visit SIGNAL IDUNA PARK.

As things currently stand, the ban on major events only runs until 31 August 2020, making it conceivable that the new Bundesliga season could kick off with limited numbers of spectators. DFL Deutsche Fußball Liga GmbH has issued guidelines with which the conditions can be met to allow spectators in SIGNAL IDUNA PARK. Thus, Borussia

Dortmund is in regular contact with DFL Deutsche Fußball Liga GmbH to discuss how sections of the stadium can once again be opened to spectators.

Since selling out stadiums is currently not feasible and any easing of restrictions will always be conditional on static or falling rates of infection, earnings forecasts in this regard are dominated by severe losses and uncertainty.

Commercially successful professional football operations are no longer limited to just regional or national levels. The team's success in these competitions is very much a focus in all plans. Qualifying for the group stage of the UEFA Champions League continues to place Borussia Dortmund in a better financial position. Playing and delivering positive performances in the competition not only generates income, it can also widen the club's media and brand coverage, which promotes the club's interaction with existing fans and encourages others to begin following Borussia Dortmund. The club intends to promote these effects with a progressive internationalisation strategy that is regularly tailored to current trends. In light of this, Borussia Dortmund aims to further expand and professionalise its digital presence. Borussia Dortmund thereby responds to social trends and to a large degree leverages the attractiveness of the Borussia Dortmund brand. The

growing international awareness of the brand that this gives rise to allows the club to tap foreign markets.

In the 2020/2021 season, Borussia Dortmund once again marketed its virtual advertising boards. SIGNAL IDUNA PARK's advertising boards can be digitally overlaid in the broadcast signal to target the respective TV audiences when broadcasting matches abroad. In times when matches are held behind closed doors or only in front of a very small number of spectators, this technology allows sponsors abroad to be targeted on an individual basis. For Borussia Dortmund's international partners in particular, this is an attractive and increasingly popular way to reach their customers worldwide.

Despite the economic setbacks in the first half of the 2020 calendar year and the forecast exacerbation of the global economic slump, professional football, particularly in Germany, has not lost any of its appeal. As such, Borussia Dortmund will also operate in a demanding market and competitive environment in the coming season.

Particular focus will be placed on income from TV marketing in connection with the expected general economic environment.

DFL Deutsche Fußball Liga GmbH has informed the clubs of the first and second Bundesliga divisions about the expected distribution volume for the 2020/2021 season. Since any further developments cannot be reliably assessed at present due to the COVID-19 pandemic, the DFL Executive Committee decided to withhold a portion of the distribution as security for the time being. Despite the reductions, the announced disbursements of the TV funds will allow for a good degree of planning.

Despite the significant influence of the COVID-19 pandemic, DFL Deutsche Fußball Liga GmbH once

again sold the media rights for the DACH region for the 2021/2022 season onwards for approximately EUR 1.1 billion. Sky Germany secured the rights to all live broadcasts on Saturdays, while DAZN will broadcast matches on Fridays and Sundays. Football will also return to free-to-air TV after a 17-year hiatus, with ProSieben/Sat1 acquiring the rights to a total of nine live matches. Even though the agreement fell short of expectations with a decline in volume of around 5%, in these uncertain times it represents an excellent economic foundation for the coming seasons.

After marketing activities at the stadium temporarily came to a complete halt, stadium tours were resumed on 1 July 2020. Visitors can take these self-guided tours using their own smartphones and headphones. Hospitality events have also resumed; however the number of participants has been reduced significantly and visitors must comply the hygiene guidelines.

Since policy-makers will continue to set the precedents in this regard, this revenue item is also expected to decrease until further notice.

Transfer deals are an important part of Borussia Dortmund's business and, as in previous years, represent a significant source of income. However, in view of the developments in the economic environment, Borussia Dortmund on principle only takes transfer income into limited account in its planning. The transfer policy nevertheless presents significant opportunities to generate substantial income. Consequently, transfer deals are always assessed against the background of the current season. High transfer sums often go hand in hand with a drop in quality within the team, but it cannot be ruled out that value-driven transfers will be concluded contrary to the Company's sporting interests. Given Borussia Dortmund's sustained success, its players are increasingly piquing the interest of other top clubs.

The COVID-19 crisis is also influencing the transfer market. Transfer sums for players are expected to decrease temporarily on account of the economic uncertainties. According to the International Centre for Sports Studies, it is possible that transfer sums for players in Europe's leagues will decline by several million euros.

Since football seasons were postponed throughout the world, there are two summer transfer windows this year. The DFB announced that the first transfer window would open for one day on 1 July 2020 to allow for the registration of previously signed

contracts. In line with the fact that leagues in Europe are delaying the end of their seasons, the DFB is following UEFA's recommendation that the current transfer window be extended until 5 October 2020.

Despite the expected potential losses and the uncertainty as the situation continues to unfold, the European leagues remain attractive for talented young players. Current expectations are that there will be quite a bit of activity on the transfer market in the summer of 2020 but that the record transfer fees seen in previous seasons will not be paid.

Overall assessment of expected performance

The COVID-19 crisis is currently overshadowing the economic activities of German companies, forcing them to confront the major challenge of having to operate in a highly uncertain environment. After concluding the season under unprecedented circumstances, Borussia Dortmund also expects to face significant economic restrictions in the coming season. The risk of a second wave of the pandemic and another lockdown as a result will shape economic planning for some time to come. Borussia

Dortmund will persevere through these difficult times thanks to the economically sound foundation it has built up and the specific countermeasures it has taken. There is a high forecasting risk stemming from the strong dependence on political decisions and the further course of the COVID-19 pandemic. Thus, any statements regarding the future performance of the Company are subject to a high degree of uncertainty.

EXPECTED RESULTS OF OPERATIONS

Expected earnings trend

Society as whole, and by extension football, is facing unprecedented challenges. The number one priority is containing the spread of the COVID-19 virus in all facets of life. Professional football and thus Borussia Dortmund GmbH & Co. KGaA have been hit hard by the effects of the pandemic.

Therefore, the expectation is of severe adverse effects on the earnings trend in the 2020/2021 season.

The Company anticipates that spectators will be able to attend matches in the new season. As a result of the measures to contain the pandemic, only a very limited number of tickets will be made available per match, which will continue to weigh heavily on income from match operations.

Due to the economic uncertainty, Borussia Dortmund expects a rather subdued transfer window, which will lead to significantly lower net transfer income year on year.

The club traditionally pursues a more conservative approach when factoring success on the pitch and any associated earnings contributions into the forecast.

In light of the high degree of uncertainty related to all streams of revenue, the management currently expects to generate a net loss of between EUR 70 million and EUR 75 million in the coming 2020/2021 financial year.

In this planning scenario, the result from operating activities (EBIT) will exceed the forecast net loss for the year by the financial result and tax expense of approximately EUR 2 million. The operating result (EBITDA) would be around EUR 100 million higher than the result from operating activities (EBIT) due to depreciation and amortisation and would probably amount to between EUR 30 million and EUR 35 million.

Expected revenue trend and consolidated total operating proceeds

In the past financial year, Borussia Dortmund generated revenue of EUR 370,196 thousand and consolidated total operating proceeds of EUR 486,884 thousand. Revenue is expected to decline by approximately 5% in the coming reporting period, due primarily to lower income from match operations and TV marketing. Borussia Dortmund forecasts consolidated total operating proceeds of approximately EUR 388,000 thousand. The measures to contain the COVID-19 pandemic will impact nearly all of Borussia Dortmund GmbH & Co. KGaA's revenue streams.

Expected trend for significant operating expenses

Cost management continues to be Borussia Dortmund's highest priority. Especially in times of crisis, efforts are being undertaken to optimise this further. The objective is to specifically manage and continually monitor risks in order to avoid or minimise these.

Operating expenses are linked directly to the number of matches played and the club's performance in competitions, meaning that these are always contingent upon the club's footballing success.

Personnel expenses are also largely dependent upon the club's sporting success, because the professional squad is compensated on the basis of its performance, meaning that these expenditures are always commensurate with the club's success.

EXPECTED DIVIDENDS

In light of the fact that the Company reports a net loss for the financial year, the management does not intend

to propose to the Annual General Meeting any dividend distribution for financial year 2019/2020.

EXPECTED FINANCIAL POSITION

Capital expenditure and financial planning

The highest priorities for developing the club's core business will be making the club more competitive and improving its infrastructure.

Borussia Dortmund is currently pursuing an extremely passive transfer policy on account of the economic slump brought about by the COVID-19 pandemic. Even planned investments in SIGNAL IDUNA PARK are being postponed until further notice. In order to mitigate and avoid financial risk, Borussia Dortmund in principle pursues a conservative and extremely prudent capital expenditure strategy and will not count on any uncertain sporting successes.

Expected liquidity trend

Based on the assumptions made, Borussia Dortmund expects cash flows from operating activities of EUR 34 million in financial year 2020/2021. Free cash flow is expected to amount to EUR -34 million.

This figure is subject to change due in particular to transfer deals or if actual events differ from the forward-looking statements in the forecast concerning the club's sporting success or on account of the effects of the COVID-19 pandemic.

OVERALL ASSESSMENT OF EXPECTED PERFORMANCE

The consequences of the measures to contain the COVID-19 pandemic will continue to have adverse effects in the coming 2020/2021 financial year. Due to the positive results of operations in recent financial years and in the period leading up to the outbreak of the COVID-19 pandemic, equity of EUR 354,919 thousand (which corresponds to an equity

ratio of approximately 70.97%) as at 30 June 2019 and the Company's long-term focus, Borussia Dortmund considers itself prepared to handle the uncertain economic situation. The management is continuously reassessing the situation as it pertains to the COVID-19 pandemic.

OTHER DISCLOSURES

The notes contains disclosures pursuant to § 160 (1) no. 2 AktG.

REPORT IN ACCORDANCE WITH § 315A (1) HGB

The following information has been provided by the Company in response to the requirements of § 315a (1) sentence 1 nos. 1 to 9 HGB:

1. As at 30 June 2020, the share capital of Borussia Dortmund GmbH & Co. KGaA amounts to EUR 92,000,000.00 and is divided into 92,000,000 no-par value ordinary bearer shares. All of the shares have been admitted to trading on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange and to the over-the-counter markets (Open Market) in Berlin, Bremen, Stuttgart, Munich, Hamburg and Düsseldorf. Each no-par value share entitles the holder to one vote at the Annual General Meeting. The Company has only one class of shares, and all shares carry the same rights and obligations. All other rights and responsibilities attaching to the Company's shares are determined in accordance with the German Stock Corporation Act (*Aktiengesetz*, "AktG").
2. Restrictions affecting the voting rights or transfer of the shares, and
3. Interests in the share capital of Borussia Dortmund GmbH & Co. KGaA exceeding 10% of the voting rights as at 30 June 2020:
 - 1) Evonik Industries AG, Essen, Germany: 9.83% of the voting rights
 - 2) Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 14.88% of the voting rights (of which 5.53% held directly and 9.35% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to § 22 (2) and henceforth § 34 (2) WpHG)
 - 3) Bernd Geske, Meerbusch, Germany: 14.88% of the voting rights (of which 9.35% held directly and 5.53% held indirectly by including the voting rights of Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany, pursuant to § 22 (2) and henceforth § 34 (2) WpHG)
4. There are no shares with special rights conferring powers of control.
5. There is no control of voting rights in cases in which employees are shareholders.

According to the information available, the inclusion of the voting rights in either case is based on a shareholders' agreement concluded between Ballspielverein Borussia 09 e.V. Dortmund and Bernd Geske currently for a term until 30 June 2022 (after the original agreement ending on 30 June 2017 was extended). The material subject matter of said agreement is the stipulation binding the parties to exercise their voting rights in favour of Ballspielverein Borussia 09 e.V. Dortmund with regard to Bernd Geske's shares in Borussia Dortmund GmbH & Co. KGaA, and that Bernd Geske and Ballspielverein Borussia 09 e.V. Dortmund mutually agree to inform one another and vote on any changes to their respective shareholdings in Borussia Dortmund GmbH & Co. KGaA, especially pertaining to the transfer of shares.

6. Because of its legal form as a partnership limited by shares, Borussia Dortmund GmbH & Co. KGaA does not have a management board. Instead, management and representation of the Company is the responsibility of the general partner. The provisions of Article 6 No. 1 of the Articles of Association stipulate that Borussia Dortmund Geschäftsführungs-GmbH, with registered offices in Dortmund, is to act as such an executive body on a permanent basis and not for a limited period of time by virtue of its status as a shareholder. The appointment and removal of managing directors of Borussia Dortmund Geschäftsführungs-GmbH is governed by § 8 no. 6 of its shareholders' agreement and is the responsibility of the Executive Committee of its Advisory Board, and therefore not of the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA. In principle, changes may be made to the Articles of Association of Borussia Dortmund GmbH & Co. KGaA only by a resolution of its Annual General Meeting, which, in accordance with § 133 (1) of the AktG, must be passed by a simple majority of votes and also, in accordance with Article 15 No. 3 of the Articles of Association of the Company in conjunction with § 179 (1) and (2) of the AktG, by a simple majority of the capital represented on the date of the resolution, except to the extent that mandatory statutory provisions or the Articles of Association stipulate otherwise. A mandatory provision of statute requires that a resolution of the Annual General Meeting be passed by a majority of three-quarters of the share capital represented on the date of the resolution in the event of changes to the Articles of Association relating to the object of the Company (§ 179 (2) sentence 2 AktG), the issuance of non-voting preferred shares (§ 182 (1) sentence 2 AktG), capital increases involving the disapplication of pre-emptive subscription rights (§ 186 (3) AktG), the creation of conditional capital (§ 193 (1) AktG), the creation of authorised capital (§ 202 (2) AktG) – where appropriate with authorisation to disapply pre-emptive subscription rights (§ 203 (2) sentence 2 in conjunction with § 186 (3) AktG) –, the ordinary or simplified reduction of share capital (§ 222 (1) sentence 2 and § 229 (3) AktG) or a change of legal form (§ 233 (2) and § 240 (1) of the German Reorganisation and Transformation Act [*Umwandlungsgesetz*, "UmwG"]). In addition, capital increases, other changes to the Articles of Association and other decisions of a fundamental nature may only be resolved with the approval of the general partner in accordance with § 285 (2) sentence 1 of the AktG. The Supervisory Board is authorised in accordance with Article 12 No. 5 of the Articles of Association to resolve changes to the Articles of Association which relate only to the wording thereof, in particular in connection with the amount of capital increases from authorised and conditional capital.
7. By virtue of a resolution by the Annual General Meeting on 24 November 2014, the Company was authorised until 23 November 2019, subject to the consent of the Supervisory Board, to increase the share capital by a maximum of EUR 23,000,000.00 in total by issuing new no-par value ordinary bearer shares against cash and/or in-kind contributions on one or more occasions. This authorisation was not utilised and has lapsed.
8. The Company is not a party to any material agreements which are conditional on a change of control following a takeover bid for the issued shares of Borussia Dortmund GmbH & Co. KGaA.
9. The Company is not a party to any compensation agreements that would apply in the event of a takeover bid.

STATEMENT BY THE GENERAL PARTNER ON RELATIONS WITH AFFILIATED COMPANIES

The Dependent Company Report prepared by Borussia Dortmund GmbH & Co. KGaA pursuant to § 312 AktG sets out the relations with Ballspielverein Borussia 09 e.V. Dortmund as the controlling entity and its affiliated companies. The general partner – represented by its Managing Directors – has issued the following concluding declaration:

"Based on the circumstances known to us at the time the transactions were entered into, the Company received appropriate consideration for each of the transactions set out in the report on relations with affiliated companies in the financial year. In all other cases, the Company has been compensated for any disadvantages having arisen. No other measures within the meaning of § 312 (1) of the AktG were either undertaken or omitted during the financial year."

DISCLAIMER

This Group management report contains forward-looking statements. Such statements are based on current estimates and are by nature

subject to risks and uncertainties. Actual results may differ from the statements made in this report.

Dortmund, dated 17 August 2020

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

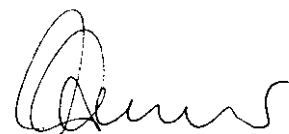
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Chief Executive Officer



Thomas Trefß
Managing Director



Carsten Cramer
Managing Director



CONSOLIDATED FINANCIAL STATEMENTS

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	Note	30/06/2020	30/06/2019
ASSETS			
Non-current assets			
Intangible assets	(1)	229,667	163,710
Property, plant and equipment	(2)	193,037	184,001
Investments accounted for using the equity method	(3)	321	322
Financial assets	(4)	32	52
Trade and other financial receivables	(5)	12,680	9,743
Prepaid expenses	(14)	5,718	13,887
		441,455	371,715
Current assets			
Inventories	(6)	6,754	4,569
Trade and other financial receivables	(5)	36,520	30,061
Tax assets		375	1,801
Cash and cash equivalents	(7)	3,317	55,865
Prepaid expenses	(14)	9,901	15,026
Assets held for sale	(8)	19,645	21,034
		76,512	128,356
		517,967	500,071
EQUITY AND LIABILITIES			
Equity			
	(9)		
Subscribed capital		92,000	92,000
Reserves		213,560	263,032
Treasury shares		-113	-113
Equity attributable to the owners of the parent company		305,447	354,919
Non-current liabilities			
Lease liabilities	(11)	20,054	8,381
Trade payables	(12)	69,627	1,500
Other financial liabilities	(13)	0	7,204
Deferred tax liabilities		0	2,679
Deferred income	(14)	230	0
		89,911	19,764
Current liabilities			
Financial liabilities		8,031	0
Provisions	(10)	0	1,671
Lease liabilities	(11)	4,350	3,127
Trade payables	(12)	67,432	60,650
Other financial liabilities	(13)	39,115	33,655
Tax liabilities		40	811
Deferred income	(14)	3,641	25,474
		122,609	125,388
		517,967	500,071

The relevant sections in the notes to the consolidated statement of financial position can be found on the following pages:

(1) – p. 185 | (2) – p. 186 | (3) (4) – p. 188 | (5) – p. 189 | (6) (7) (8) – p. 190 | (9) – p. 191 | (10) – p. 192
(11) (12) (13) – p. 193 | (14) – p. 194

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	Note	2019/2020	2018/2019*
Revenue	(15)	370,196	370,256
Net transfer income	(16)	40,160	82,881
Other operating income	(17)	9,195	7,746
Cost of materials	(18)	-22,392	-21,273
Personnel expenses	(19)	-215,157	-205,104
Depreciation, amortisation and write-downs	(20)	-106,130	-92,482
Other operating expenses	(21)	-119,010	-118,523
Result from operating activities		-43,138	23,501
Net income/loss from investments in associates	(3)	-1	13
Finance income	(22)	287	427
Finance costs	(22)	-3,731	-2,132
Financial result		-3,445	-1,692
Profit before income taxes		-46,583	21,809
Income taxes	(23)	2,630	-4,418
Consolidated net profit/net loss for the year		-43,953	17,391
Items that may not be reclassified to profit or loss			
Cash flow hedge			
- effective portion of the change in fair value		0	0
- reclassification to profit or loss		0	0
Other gains/losses incurred during the period, after taxes		0	0
Total comprehensive income		-43,953	17,391
Consolidated net profit/loss for the year attributable to:			
- Owners of the parent:		-43,953	17,391
- Minority interests:		0	0
Total comprehensive income attributable to:			
- Owners of the parent:		-43,953	17,391
- Minority interests:		0	0
Earnings per share (in EUR) (basic/diluted)	(30)	-0.48	0.19

* Change in prior-year items. See also "Restatements in accordance with IAS 8.42" in the notes to the consolidated financial statements.

The relevant sections in the notes to the consolidated statement of financial position can be found on the following pages:

(3) – p. 188 | (15) (16) (17) (18) – p. 195 | (19) (20) (21) – p. 196 | (22) (23) – p. 197 | (30) – p. 206

CONSOLIDATED STATEMENT OF CASH FLOWS

of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	Note	2019/2020	2018/2019*
Profit before income taxes		-46,583	21,809
Depreciation, amortisation and write-downs of non-current assets	(20)	106,130	90,105
Gain/loss on disposals of non-current assets		-45,692	-97,168
Other non-cash expenses/income		-4,118	-4,236
Transfer costs		7,488	15,125
Interest income	(22)	-287	-427
Interest expense	(22)	3,731	2,132
Net income/loss from investments in associates	(22)	1	-13
Changes in other assets not classified as from investing or financing activities		807	-4,390
Changes in other liabilities not classified as from investing or financing activities		-18,818	10,063
Interest received		0	5
Interest paid		-3,326	-1,461
Income taxes		305	-2,834
Cash flows from operating activities		-362	28,710
Payments for investments in intangible assets		-152,736	-129,458
Net proceeds from transfers		108,090	115,815
Payments for investments in property, plant and equipment		-6,205	-9,933
Proceeds from disposals of property plant and equipment		62	61
Proceeds from financial assets		20	21
Payments for investments in financial assets		0	-15
Cash flows from investing activities		-50,769	-23,509
Dividend payments	(9)	-5,519	-5,519
Repayment of lease liabilities		-3,929	-3,281
Cash flows from financing activities		-9,448	-8,800
Change in cash and cash equivalents		-60,579	-3,599
Cash and cash equivalents at the beginning of the period		55,865	59,464
Cash and cash equivalents at the end of the period		-4,714	55,865
Definition of cash and cash equivalents			
Bank balances and cash-in-hand	(7)	3,317	55,865
Utilisation of overdraft facilities		-8,031	0
Cash and cash equivalents at the end of the period		-4,714	55,865

* Change in prior-year items. See also "Restatements in accordance with IAS 8.42" in the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	Reserves				Treasury shares	Equity attributable to the owners of the parent company	Consolidated equity
	Subscribed capital	Capital reserves	Other revenue reserves	Cash flow hedge			
<i>see note (9)</i>							
1 July 2018**	92,000	142,843	108,855	0	-113	343,585	343,585
Adjustment due to initial application of IFRS 9, after taxes**	0	0	-538	0	0	-538	-538
As at 1 July 2018 (adjusted)**	92,000	142,843	108,317	0	-113	343,047	343,047
Distributions to shareholders	0	0	-5,519	0	0	-5,519	-5,519
Acquisition of non-controlling interests without change of control	0	0	0	0	0	0	0
Sale of treasury shares	0	0	0	0	0	0	0
Transactions with shareholders	0	0	-5,519	0	0	-5,519	-5,519
Consolidated net profit for the year	0	0	17,391	0	0	17,391	17,391
Other gains/losses incurred during the period, after taxes	0	0	0	0	0	0	0
Total comprehensive income	0	0	17,391	0	0	17,391	17,391
30 June 2019*	92,000	142,843	120,189	0	-113	354,919	354,919
1 July 2019	92,000	142,843	120,189	0	-113	354,919	354,919
Distributions to shareholders	0	0	-5,519	0	0	-5,519	-5,519
Acquisition of non-controlling interests without change of control	0	0	0	0	0	0	0
Sale of treasury shares	0	0	0	0	0	0	0
Transactions with shareholders	0	0	-5,519	0	0	-5,519	-5,519
Consolidated net loss for the year	0	0	-43,953	0	0	-43,953	-43,953
Other gains/losses incurred during the period, after taxes	0	0	0	0	0	0	0
Total comprehensive income	0	0	-43,953	0	0	-43,953	-43,953
30 June 2020	92,000	142,843	70,717	0	-113	305,447	305,447

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements as at 30 June 2019.

** Figures in accordance with the Annual Report as at 30 June 2019.

NOTES to the consolidated financial statements of Borussia Dortmund GmbH & Co.
Kommanditgesellschaft auf Aktien, Dortmund for the financial year from 1 July 2019 to 30 June 2020
(hereinafter "Borussia Dortmund" or "Borussia Dortmund GmbH & Co. KGaA")

BASIC PRINCIPLES

General disclosures

Borussia Dortmund GmbH & Co. KGaA (hereinafter also "Borussia Dortmund" or the "Group") has its registered office at Rheinlanddamm 207 – 209, 44137 Dortmund, Germany, and is listed in the commercial register of the Local Court (*Amtsgericht*) of Dortmund under the number HRB 14217. Borussia Dortmund's professional squad has competed in the Bundesliga's first division for more than four decades. Borussia Dortmund also operates Group companies that sell merchandise, organise and host match-day and non-match-day events, and provide Internet and travel services. Borussia Dortmund also holds an interest in a medical rehabilitation centre.

The general partner, BVB Geschäftsführungs-GmbH, Dortmund, is responsible for management and representation of Borussia Dortmund GmbH & Co. KGaA. Borussia Dortmund Geschäftsführungs-GmbH is for its part represented by Managing Directors Hans-Joachim Watzke (Chairman), Thomas Treß and Carsten Cramer; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.

The consolidated financial statements are presented in thousands of euros.

The subtotals contained in the consolidated statement of comprehensive income for the result from operating activities (EBIT) and the financial result are used to provide detailed information.

By a resolution dated 17 August 2020, the consolidated financial statements and the Group management report were authorised by the Company's management for submission to the Supervisory Board.

Accounting policies

These consolidated financial statements for the financial year from 1 July 2019 to 30 June 2020, including the prior-year information, were prepared in accordance with International Financial Reporting

Standards (IFRSs), as adopted in the European Union and in force at the end of the reporting period, and the supplementary provisions of German commercial law required to be observed in accordance with § 315e (1) HGB. The term "IFRS" includes the recent International Financial Reporting Standards (IFRSs) and the International Accounting Standards (IASs) issued by the International Accounting Standards Board (IASB) in London as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

Borussia Dortmund applied the following Standards, Interpretations and amendments to existing Standards, as adopted by the European Union, for the first time in the 2019/2020 financial year:

Amendments to IFRS 9 – Prepayment Features with Negative Compensation

The amendments introduce a narrow-scope modification of the assessment criteria relevant for classifying financial assets. Under certain circumstances, financial assets that include prepayment features with negative compensation do not have to be measured at fair value through profit or loss but may instead be measured at amortised cost or at fair value through other comprehensive income.

The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Recognition and measurement require the use of assumptions, for instance whether an entity should consider uncertain certain treatments separately or together

with other uncertainties, whether a probable or expected value should be used for the uncertainty and whether changes have occurred since the prior period. The risk of detection is insignificant with respect to accounting for uncertain items of the statement of financial position. Items are accounted for under the assumption that the taxation authorities will examine the treatment in question and that all relevant information is available to them.

The estimates, assumptions and judgements used must be disclosed in the notes. Furthermore, an entity must disclose the potential effect of the uncertainty as a tax-related contingency applying paragraph 88 of IAS 12.

The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that IFRS 9 must be applied to long-term interests in associates or joint ventures that are not accounted for using the equity method.

The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement

In accordance with IAS 19, pension obligations must be remeasured using updated assumptions whenever plan amendments, curtailments or settlements take place.

The amendments clarify that updated assumptions must be used to determine the service cost and net interest for the remainder of the period after the change to the plan.

The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Improvements to IFRS 2015 – 2017

Four IFRSs were amended in connection with the Annual Improvements to IFRSs (2015–2017 cycle). The amendments to IFRS 3 clarify that a company must apply the requirements for a business combination achieved in stages when it obtains control of a business in which it previously held an interest as a joint operation. The interest previously held by the acquirer must be remeasured.

IFRS 11 clarifies that an entity does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

The amendments to IAS 12 clarify that an entity accounts for all income tax consequences of dividend payments in the same way.

The amendments to IAS 23 clarify that when an entity calculates its borrowing costs it shall exclude from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IAS 1 and IAS 8 – Definition of Material

The amendments create a uniform and more consistent definition of materiality of information presented in financial statements in the IFRSs and provide accompanying examples. In that connection, the definitions set out in the Conceptual Framework, IAS 1, IAS 8 and IFRS Practice Statement 2 Making Materiality Judgements have been aligned. The amendments are applicable for the first time from 1 January 2020. Earlier application is permitted.

Borussia Dortmund currently does not expect any material impact on the consolidated financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

The revised Conceptual Framework comprises a new, overarching section entitled "Status and purpose of the conceptual framework" and eight distinct chapters.

The Framework now includes chapters relating to "The reporting entity" and "Presentation and disclosure"; the "Recognition" chapter has been expanded to include "Derecognition".

Substantive amendments were also made: for instance, the distinction between revenues on the one hand and gains on the other is no longer drawn for income.

As part of the amendments to the Conceptual Framework, references to the Conceptual Framework in various standards have been amended. The amendments are applicable for the first time from 1 January 2020. Earlier application is permitted.

Borussia Dortmund currently does not expect any material impact on the consolidated financial statements.

Accounting standards issued by the IASB, but not yet adopted by the EU and not yet applied by the Company:

Standard	New and amended Standards and Interpretations	Published by IASB	Mandatory application (IASB)	Expected effect on Group
IFRS 14	Regulatory Deferral Accounts	30 January 2014	No EU endorsement planned	None
Amendments to IFRS 3	Definition of a Business	22 October 2018	1 January 2020	Immaterial
IFRS 17	Insurance Contracts	18 May 2017	1 January 2021	None
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	11 September 2014/ 18 December 2014	TBA	Immaterial
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	26 September 2019	1 January 2020	Immaterial

RESTATEMENTS IN ACCORDANCE WITH IAS 8.42

On 26 June 2020, the IFRS Interpretations Committee (Committee) published its final agenda decision on Player Transfer Payments (IAS 38) as part of its June 2020 IFRIC Update.

In accordance with that decision, transfer proceeds received must not be recognised as revenue. Borussia Dortmund had already adjusted its accounting to reflect the preliminary agenda decision of 16 December 2019. The final decision did not result in any material changes as compared to the preliminary decision. From now on, transfer proceeds will no longer be recognised as revenue, but rather as the net gain on disposal less any residual carrying amount and presented separately in the new "net transfer income" item in the statement of comprehensive income. Please refer to the statements under the heading "Accounting

policies". The change in presentation has no effect on the result from operating activities, total comprehensive income or earnings per share.

As a result, the presentation in the statement of cash flows was also changed. Going forward, transfer proceeds received will be reported net of any directly attributable payments made in connection with the respective transfer in the new "Net proceeds from transfers" item under cash flows from investing activities. These payments as well as changes in receivables and liabilities from transfer deals had previously been reported under cash flows from operating activities. The change does not have any impact on the free cash flow.

The retrospective restatement of the consolidated statement of comprehensive income and the consolidated statement of cash flows due to the matters presented is as follows:

Consolidated statement of comprehensive income from 1 July 2018 to 30 June 2019

EUR '000	Amount previously reported in 2018/2019 Annual Report	IAS 8.42 adjustment for IFRIC decision	Amount after adjustment
Revenue	489,524	-119,268	370,256
Net transfer income	0	82,881	82,881
Other operating expenses	-154,910	36,387	-118,523
Result from operating activities	23,501	0	23,501

Consolidated statement of cash flows from 1 July 2018 to 30 June 2019

EUR '000	Amount previously reported in 2018/2019 Annual Report	IAS 8.42 adjustment for IFRIC decision	Amount after adjustment
Gain/loss on disposals of non-current assets	538	-97,706	-97,168
Other non-cash expenses/income	17,326	-21,562	-4,236
Transfer costs	0	15,125	15,125
Changes in other liabilities not classified as from investing or financing activities	17,980	-22,370	-4,390
Changes in other liabilities not classified as from investing or financing activities	-635	10,698	10,063
Cash flows from operating activities	144,525	-115,815	28,710
Net proceeds from transfers	0	115,815	115,815
Cash flows from investing activities	-139,324	115,815	-23,509

Scope of consolidated financial statements

In addition to Borussia Dortmund GmbH & Co. KGaA, the consolidated financial statements include six fully consolidated subsidiary companies and one associated company accounted for using the equity method.

The list of shareholdings as at 30 June 2020 was as follows:

Shareholdings (30 June 2020)

	Registered office	Share capital (EUR '000)	Shareholding %	Equity (EUR '000) as at 30/06/2020	Net profit/loss (EUR '000) 01/07/2019 to 30/06/2020
Fully consolidated companies:					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	63
besttravel Dortmund GmbH*	Dortmund	50	100.00	144	566
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	2,458
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	1,582
BVB Asia Pacific Pte. Ltd.	Singapore	66	100.00	192	31
BVB Fußballakademie GmbH	Dortmund	25	100.00	25	0
Investments accounted for using the equity method					
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	786	-3

* Profit and loss transfer agreements are in force. Profit/loss of the Company under HGB prior to transfer to/absorption by the consolidated tax group parent.

** Included in the consolidated financial statements as at 30 June 2020 as an associate on the basis of the net profit/loss reported as at 31 December 2019.

Shareholdings (30 June 2019)

	Registered office	Share capital (EUR '000)	Shareholding %	Equity (EUR '000) as at 30/06/2019	Net profit/loss (EUR '000) 01/07/2018 to 30/06/2019
Fully consolidated companies:					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	69
besttravel Dortmund GmbH*	Dortmund	50	100.00	144	948
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	1,241
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	2,758
BVB Asia Pacific Pte. Ltd.	Singapore	66	100.00	161	30
Investments accounted for using the equity method					
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	789	41

* Profit and loss transfer agreements are in force. Profit/loss of the Company under HGB prior to transfer to/absorption by the consolidated tax group parent.

** Included in the consolidated financial statements as at 30 June 2019 as an associate on the basis of the net profit/loss reported as at 31 December 2018.

No interim financial statements were prepared for Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (Orthomed GmbH) as at 30 June 2020 due to the fact that there would be no material impact on the consolidated financial statements.

Please refer to Note 31 for disclosures on transactions with related parties.

Consolidation principles

The annual financial statements of the companies included in the consolidated financial statements are prepared in accordance with IFRS, as adopted by the EU, using consistent accounting policies.

The end of the reporting period for the consolidated financial statements is the end of the reporting period of the parent company.

Intercompany revenues, income and expenses, and all receivables and liabilities between companies included in the consolidated financial statements are eliminated on consolidation.

Subsidiaries are entities controlled by the Group. The Group controls an entity if the Group is exposed to or has rights to variable returns from its investment in the entity and if the Group has the ability to influence those returns through its control over the entity. The financial statements of subsidiaries included in the consolidated financial statements as at the date control begins and until the time the Group no longer controls the entity.

Acquired subsidiaries are accounted for using the acquisition method. The acquisition cost is equal to the fair value of the assets given, the equity instruments issued and the liabilities incurred or assumed on the date of the transaction. The costs associated with the acquisition are recognised as an expense. When consolidated for the first time, the identifiable assets, liabilities and contingent liabilities acquired in a business combination are measured at their acquisition-date fair values, regardless of the size of the minority interest.

Any excess of the acquisition cost over the share of equity acquired at fair value is recognised as goodwill.

If the acquisition costs are lower than the fair value of the net assets of the subsidiary acquired, the measurement of net assets is reviewed and the difference is recognised directly in the consolidated statement of comprehensive income.

The Group's interests in investments accounted for using the equity method relate to shareholdings in associates.

Associates are entities over which the Group has a significant influence but does not control or jointly manage the entities' financial and operating policies.

Foreign currency translation

The consolidated financial statements are presented in euros. The euro is the currency of the primary business environment (functional currency) of all companies included in the consolidated financial statements. In the single-entry financial statements of the parent and of the consolidated subsidiaries, business transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing on the date of the transaction. Gains and losses arising on the fulfilment of such transactions and on the translation of monetary assets and liabilities carried in foreign currencies using the exchange rate prevailing at the end of the reporting period are recognised in profit or loss.

Accounting policies

The significant accounting policies used in the preparation of these consolidated financial statements are presented below. The policies described were applied consistently for the reporting periods shown, unless otherwise indicated.

The consolidated financial statements were prepared based on amortised cost. However, derivative financial instruments are measured at fair value.

Intangible assets

Purchased intangible assets are measured at cost less amortisation based on their expected useful lives or at the lower recoverable amount. Player registrations reported in these financial statements are measured at cost in accordance with IAS 38 and amortised on a straight-line basis over the term of the individual contracts.

Agent and brokerage commissions and other obligations in connection with contract extensions or players acquired on free transfers are recognised as intangible assets. If these obligations are subject to certain conditions precedent, they are recognised on the date the conditions are met. The intangible assets are amortised on a straight-line basis over the remaining term of the individual contracts.

Computer software for commercial and technical applications is amortised on a straight-line basis. The useful lives and the methods of amortisation are reviewed at the end of each financial year.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses. Subsequent expenses are recognised only if it is probable that the future economic benefits associated with the expenses will flow to the Group.

The SIGNAL IDUNA PARK stadium buildings were measured at their fair value amounting to EUR 177,200 thousand in the opening IFRS statement of

financial position as at 1 July 2004, in accordance with the option permitted by IFRS 1.16. This valuation is based on the opinion of an independent expert. The changes in accounting policies resulted as a consequence of an expert review of the remaining useful life of the stadium property, which since 1 July 2013 will be depreciated over 40 years (previously: 19.5 years). Annual depreciation now amounts to EUR 3,034 thousand (previously: EUR 6,223 thousand).

Land is carried at amortised cost and impaired if necessary.

Buildings and the remaining items of property, plant and equipment are measured at cost less depreciation. Repair and maintenance costs are recognised in the statement of comprehensive income as expenses in the current period.

Depreciation is calculated in order to allocate the cost of items of property, plant and equipment, less their estimated residual carrying amounts, on a straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss. Unless it is sufficiently clear that ownership will transfer to the Group at the end of the lease, leased assets are depreciated over the term of the lease or their useful lives, whichever is shorter. Land is not depreciated.

Straight-line depreciation is based on the following useful lives:

	Useful life in years
Stadium	40
Other buildings	20 to 50
Other equipment, operating and office equipment	7 to 15

The useful life and the method of amortisation are reviewed at the end of each financial year at a minimum.

Impairment testing

The useful lives of intangible assets and items of property, plant and equipment are all finite. If there are specific indications of possible impairment, individual assets are tested for impairment, both at the level of the individual assets and at the level of the cash-generating units. A cash-generating unit is the smallest identifiable group of assets that generate cash flows, which are independent of cash flows generated by other assets to the furthest extent possible. An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of net realisable value and value in use. If the reason for an impairment write-down recognised in prior years no longer exists, the impairment loss is reversed until the carrying amount of the asset, net of depreciation and amortisation, equals the amount that would have been determined if an impairment loss had not been recognised.

Leases

The Group's leases relate in particular to developed land and leased operating and office equipment.

Under the standard, lessees recognise a right-of-use asset (representing their right to use an underlying asset) and a lease liability (representing their obligation to make lease payments).

Pursuant to the exemptions under IFRS 16, Borussia Dortmund has opted to henceforth not apply the accounting requirements to leases with a term of 12 months or less and to leases for which the underlying asset is of low value.

Right-of-use assets recognised in accordance with IFRS 16 are measured at cost as at the commencement date and are generally discounted at the rate implicit in the lease. That amount is reduced by cumulative depreciation and amortisation and, where appropriate, write-downs and impairment losses. Due to the existing lease agreements, Borussia Dortmund is entitled to control the use of various assets against payment of the lease obligations.

Financial instruments

Financial instruments under IFRS are classified in line with the format of the statement of financial position. The table under Note 29 provides a reconciliation of the individual classes and categories of IFRS 9 to the items of the statement of financial position and the fair values of the financial instruments disclosed therein.

Under IFRS 9, financial assets are classified into one of three categories depending on their use: "at amortised cost"; "at fair value through other comprehensive income (FVOCI)"; and "at fair value through profit or loss (FVTPL)". Financial assets are classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The business model is determined at the portfolio level and is based on management's intentions and past transaction patterns. The cash flows are reviewed on the basis of the individual assets.

As a rule, financial assets are measured at fair value upon initial recognition. Transaction costs that are directly attributable to the acquisition of the financial asset are included in the initial recognition. Regular way purchases or sales of financial assets are accounted for at the trade date. The amount recognised in the statement of financial position is equal to the maximum exposure to credit risk. The subsequent measurement of financial assets depends on their classification:

To the extent possible, Borussia Dortmund uses observable market inputs to calculate the fair value of an asset or liability. Based on the input factors used in the valuation techniques, the fair values are assigned to different levels in the fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., the price) or indirectly (i.e., can be derived from the price).

Level 3: Unobservable inputs of the asset or liability.

If the inputs used to measure the fair value of an asset or liability can be categorised to different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Borussia Dortmund recognises reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the change occurs.

a) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets whose cash flows do not comprise solely payments of

principal and interest on the principal amount outstanding. This also includes financial assets that are not held in either the "hold" or "hold and sell" business models. Gains and losses resulting from these financial assets are recognised through profit or loss.

b) Financial assets measured at amortised cost

Financial assets that are measured at amortised cost are non-derivative financial assets with contractual payments that are solely payments of principal and interest on the principal amount outstanding and that are held for the purposes of collecting the contractual cash flows, such as trade receivables and cash and cash equivalents ("hold" business model). Cash and cash equivalents primarily include cash-in-hand, cheques and demand deposits with banks, which are subject to an insignificant risk of changes in value.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method less loss allowances. Gains and losses are recognised in the consolidated net profit when the loans and receivables are impaired or derecognised. The interest effect resulting from the application of the effective interest rate method and currency translation effects are also recognised in profit or loss.

c) Financial assets measured at fair value through other comprehensive income

Financial assets that are measured at fair value through other comprehensive income are non-derivative financial assets with contractual payments that are solely payments of principal and interest on the principal amount outstanding and that are held for the purposes of collecting the contractual cash flows and selling financial

assets, for instance to meet predefined liquidity targets ("hold and sell" business model). This category also includes equity instruments that are not held for trading and for which the option was exercised to recognise changes in fair value through other comprehensive income.

After initial measurement, the financial assets in this category are measured at fair value through other comprehensive income and any unrealised gains or losses are recognised in other comprehensive income. Upon disposal of debt instruments in this category, the cumulative gains and losses from the fair value measurement recognised in other comprehensive income are reclassified to profit or loss. Interest received from financial assets measured at fair value through other comprehensive income are generally recognised through profit or loss using the effective interest rate method. The changes in the fair value of equity instruments measured at fair value through other comprehensive income are not recognised through profit or loss and instead are reclassified to revenue reserves upon disposal. Dividends are recognised through profit or loss when the legal claim to payment arises.

Impairment of financial assets

At the end of every reporting period, a loss allowance is recognised for financial assets that are not measured at fair value through profit or loss. This loss allowance reflects the expected credit losses for these instruments. The expected credit loss model consists of three stages: a loss allowance is recognised at an amount equal to the 12-month expected credit losses (stage 1), at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition (stage 2), or in the case of credit-impaired financial assets (stage 3). A financial asset is considered to be credit-impaired once

there are objective substantial indications, such as the debtor's significant financial difficulty, or knowledge of an application for bankruptcy or past due event. If the asset appears uncollectible, it and the loss allowance are derecognised.

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset is derecognised when the contractual rights to receive the cash flows from the asset expire or the financial asset is transferred to another party. The latter case is deemed to have occurred when all significant risks and rewards associated with ownership of the asset have been transferred or when the control over the asset has been relinquished.

Financial liabilities

A financial liability is derecognised when the obligation underlying this liability is discharged or cancelled or expires. In cases where an existing financial liability is exchanged against another financial liability of the same lender with substantially different terms and conditions or if the terms and conditions of an existing liability are materially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. Any difference between the relevant carrying amounts is recognised in profit or loss.

Financial assets and liabilities are offset against one another and the net balance is presented in the consolidated statement of financial position if an entity a) has a legally enforceable right to set off the recognised amounts, and b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred taxes

Deferred taxes are recognised for all temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS financial statements (liability method). However, if in the course of a transaction which is not a business combination a deferred tax asset or liability arises from the initial recognition of an asset or liability which, at the time of the transaction, affects neither the accounting nor the taxable profit or loss, the deferred tax asset or liability is neither recognised at the date of initial recognition nor afterwards.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are also recognised for tax loss carry-forwards that can be utilised in subsequent periods, provided it is sufficiently probable that the deferred tax asset will be recoverable.

Deferred taxes relating to items recognised directly in other comprehensive income are also recognised in other comprehensive income.

Deferred tax assets and liabilities are netted against each other where the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets and liabilities are measured on the basis of the tax laws adopted by the Bundestag and ratified by the Bundesrat as at the end of the reporting period using a rate of income tax of 32.81% (previous year: 32.81%).

Inventories

Inventories consist principally of goods held by the subsidiary company BVB Merchandising GmbH. Inventories are measured at cost less any individual allowances for goods whose cost may not be recoverable.

Cash and cash equivalents

Cash includes cash on hand, cheques and balances with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to a known amount of cash or convertible to a known amount of cash within a period of less than three months and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured initially at fair value and subsequently at amortised cost.

Ordinary shares

The costs directly attributable to the issue of ordinary shares are deducted from equity (net of taxes, if applicable).

Treasury shares

The full amount paid for the purchase of treasury shares is reported as an item deducted from equity. The Company has the right to reissue treasury shares purchased by it at a later date. Proceeds of resale in excess of cost are added to capital reserves, while shortfalls are taken to retained earnings.

Provisions

Provisions must be recognised where a present legal or constructive obligation arises from a past event, which is expected to result in an outflow of resources and whose amount can be reliably estimated.

The Group applies these accounting procedures when recognising provisions for litigation and liability risks. The Group makes assumptions when determining the probability that liability will arise, the amount of any claims that could be asserted and the duration of any legal proceedings.

The recognition and measurement of provisions for litigation and liability risks entail uncertainty. The outcome of court proceedings in particular is difficult to predict. Therefore, provisions are measured on the basis of the best estimate of the liability and are recognised at the amount that will most likely be needed to settle the obligation as at the reporting date.

Financial liabilities

Financial liabilities falling under the scope of IFRS 9 are allocated to the category "other financial liabilities". These include borrowings and are recognised initially at fair value plus transaction costs directly attributable to the issue of the financial liabilities. Other financial liabilities are subsequently measured at amortised cost using the effective

interest method, where interest expense is measured in accordance with the effective interest rate. Please refer to Notes 11, 12, 13 and 25 *et seq.* for information on the provision of collateral and further disclosures on financial liabilities.

Prepaid expenses and deferred income

Prepaid expenses and deferred income are recognised and apportioned on a straight-line basis over their term to allocate payments made on an accrual basis.

Recognition of income and expenses

Revenue is measured on the basis of the consideration set out in contracts with customers. The Group recognises revenue when (or as) it transfers control over a good or a service to a customer.

Type of product/service	Primarily	Revenue recognition in accordance with IFRS 15
Match operations	Ticker proceeds	Revenue is recognised at a point in time (date of match).
Advertising	Sponsorship agreements	Revenue is recognised over time in line with the term of the agreement; performance-based bonuses are recognised at a point in time.
TV marketing	Centralised national/international TV marketing	Revenue is recognised over time; performance-based bonuses are recognised at a point in time.
Merchandising	Sale of fan merchandise/granting of licences	Revenue from fan merchandise is recognised at a point in time. Revenue from licences is recognised over time in line with the term of agreement.
Conference, catering, miscellaneous	Related to match-day operations	Revenue is recognised at a point in time.

Transfer proceeds are recognised as the net gain on disposal less any residual carrying amount and presented separately in the new "net transfer income" item in the statement of comprehensive income.

Interest income and expenses are allocated to the period to which they relate, taking into account the outstanding amount of the loan and the effective interest rate to be applied. The effective interest rate

is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Operating expenses are recognised when the goods or services are utilised or at the date the expenses are incurred.

Management of financial risks

The Group finances itself primarily from long-term finance leases, trade payables, season tickets paid for in advance and payments from sponsors. The related risks arising comprise fair value risks (interest-rate-related cash flow risks), liquidity risks and credit risks. On the other hand, the Group is not exposed to any significant currency risks. The methods of managing the individual types of risk are described in the following.

Interest rate risks

Interest rate risks relate to the risk that the interest rate associated with an interest-bearing financial instrument will deviate from the market interest rate due to future market developments. Interest rate risks can therefore arise from floating-rate loans, among other things. These risks are hedged using appropriate interest hedging instruments. Because Borussia Dortmund currently does not have any floating-rate loans or interest rate swaps, there is no necessity for hedges.

Sensitivity analysis (interest rate risk)

Sensitivity analyses are used to measure how sensitive financial ratios are to small changes in input parameters. Because Borussia Dortmund currently does not have any floating-rate loans or interest rate swaps, there is no necessity to perform sensitivity analyses.

Liquidity risk

The Group constantly monitors the risk of possible liquidity bottlenecks, taking into account the probable maturities of its financial liabilities and the timing of the expected cash flows from operating activities. The Group counters potential liquidity risk by taking up largely long-term financing. Appropriate corporate planning is used to constantly monitor short-term financing

components. Please refer to Note 28 for disclosures on the maturities of contractual cash flows.

The COVID-19 crisis has led to greater focus being placed on liquidity planning and management. The financial and liquidity planning apparatus that has been in place for many years considers a variety of planning scenarios and different premises, and is regularly adjusted to account for current conditions. Weekly target/actual comparisons enable Borussia Dortmund to devise and implement suitable liquidity management measures if necessary. The temporary salary waiver by the management, the players, the coaching staff and senior executives, as well as the reduction of the repair and maintenance budget and the reduction of capital expenditures have had a positive effect on the Company's liquidity situation.

Credit risk

The Group conducts business exclusively with third parties of high credit standing. Concentrations of credit risk can arise in the context of a player transfer and from long-term sponsorship agreements. Such concentrations of risk are monitored in the course of the Group's operating activities.

The maximum credit risk in the event of counterparty default is equal to the carrying amount of these instruments. Please refer to Note 25.

Significant decisions subject to judgement and estimates

The preparation of consolidated financial statements in accordance with IFRSs requires management to make significant decisions subject to judgement and estimates and assumptions concerning the application of financial accounting methods and the assets, liabilities, income and expenses recognised in those statements. Actual results may deviate from these estimates.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognised in the period in which the estimates were revised as well as in all subsequent periods concerned.

Information about significant decisions subject to judgment made while applying accounting methods that materially impact the amounts recognised in the consolidated financial statements are disclosed in the notes to the consolidated financial statements below.

This section on accounting policies includes detailed disclosures about property, plant and equipment. Notes 2 and 11 include detailed disclosures on finance leases.

Disclosures on deferred taxes are included, inter alia, in Note 23 and the section on accounting policies.

The collectability of trade receivables is assessed based on the estimated probability of default. Specific valuation allowances are calculated for overdue receivables using individually determined percentages. In the event that the financial situations of our partners worsen, the amounts actually written down may exceed the amount of the valuation allowances recognised. This could negatively impact the results of operations. Please refer to Note 5 for disclosures on carrying amounts.

Note 10 includes detailed disclosures on provisions.

Deferred tax assets are recognised in respect of tax loss carry-forwards to the extent that it is probable that taxable income will be available to enable the loss carry-forwards to actually be utilised. In order to determine the amount of the deferred tax assets required to be recognised in this context, management makes significant

assumptions with respect to the expected timing and amount of future taxable income.

The preparation of financial statements in accordance with IFRS requires the use of judgement. All decisions requiring the use of judgement are reassessed on a permanent basis and are based on past experience and expectations as to future events that appear reasonable, given the current circumstances.

Operating segments

Borussia Dortmund has four reportable segments, which are responsible for the main activities of the overall Group. The first segment consists of Borussia Dortmund GmbH & Co. KGaA, which operates a football club including a professional football squad and leverages the associated revenue potential arising from transfer deals, catering, TV marketing, advertising and match operations. The second segment consists of the separate merchandising business, which is carried out by BVB Merchandising GmbH, a legally independent entity.

The wholly owned Group subsidiaries BVB Event & Catering GmbH and besttravel dortmund GmbH are also classified as reportable segments.

BVB Event & Catering GmbH is responsible for conducting stadium tours, providing and arranging for event staffing services and planning, organising, catering, steering and conducting events of all types in its own name and on behalf of third parties.

besttravel dortmund GmbH is responsible for arranging travel by air, rail and ship, as well as package tours offered to private customers by travel agents. It also organises and conducts events such as sports travel, conferences and incentive trips, and arranges hotel and car hire bookings.

Internal reporting is based on the accounting provisions of the German Commercial Code (*Handelsgesetzbuch*, "HGB").

Operating segments

	Borussia Dortmund KGaA		BVB Merchandising GmbH		BVB Event & Catering GmbH		besttravel Dortmund GmbH		Total	
	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019
EUR '000										
Total revenue	442,126	446,030	34,706	31,156	17,015	19,864	1,373	1,727	495,220	498,777
of which match operations	32,510	44,659	0	0	0	0	0	0	32,510	44,659
of which advertising	98,038	96,846	0	0	0	0	0	0	98,038	96,846
of which TV marketing	169,836	167,349	0	0	0	0	0	0	169,836	167,349
of which transfer deals	123,732	120,204	0	0	0	0	0	0	123,732	120,204
of which merchandising	0	0	34,706	31,156	0	0	0	0	34,706	31,156
of which conference, catering, miscellaneous	18,010	16,972	0	0	17,015	19,864	1,373	1,727	36,398	38,563
Total revenue	442,126	446,030	34,706	31,156	17,015	19,864	1,373	1,727	495,220	498,777
of which external	440,802	444,603	33,292	29,989	11,233	13,768	658	1,163	485,985	489,523
of which internal	1,324	1,427	1,414	1,167	5,782	6,096	715	564	9,235	9,254
Financial result	1,915	3,303	0	0	0	0	-4	-4	1,911	3,299
Share of profit from equity investments	0	0	0	0	0	0	0	0	0	0
of which profit and loss transfer	4,669	5,016	0	0	0	0	0	0	4,669	5,016
Net interest income/expense	-2,754	-1,713	0	0	0	0	-4	-4	-2,758	-1,717
of which interest expense	-2,934	-2,716	0	0	0	0	-4	-4	-2,938	-2,720
of which interest income	180	1,003	0	0	0	0	0	0	180	1,003
Depreciation, amortisation and write-downs	-105,547	-90,638	-1,426	-1,767	-34	-34	-21	-14	-107,028	-92,453
Segment profit before taxes*	-54,281	22,330	2,458	1,241	1,582	2,758	566	948	-49,675	27,277
Capital expenditure	160,453	139,035	403	243	7	7	1	118	160,864	139,403
Segment assets**	518,768	513,706	15,875	14,562	4,865	4,811	675	1,117	540,183	534,196
Segment liabilities	184,431	124,188	4,994	3,681	4,840	4,786	531	973	194,796	133,628
Investments accounted for using the equity method	96	96	0	0	0	0	0	0	96	96
Income from investments in associates	0	0	0	0	0	0	0	0	0	0

* Before profit or loss transfer.

** KGaA segment includes EUR 19,645 thousand (previous year: EUR 21,034 thousand) in assets held for sale.

The table below provides a reconciliation of the revenue, profit or loss before taxes, assets, liabilities and other key items for each segment:

Reconciliation of the segments to the statement of financial position and the consolidated statement of comprehensive income

EUR '000	Total		Other adjustments		Consolidated financial statements	
	2019/2020	2018/2019	2019/2020	2018/2019*	2019/2020	2018/2019*
Total revenue	495,220	498,777	-125,024	-128,521	370,196	370,256
of which match operations	32,510	44,659	0	0	32,510	44,659
of which advertising	98,038	96,846	-33	-33	98,005	96,813
of which TV marketing	169,836	167,349	0	0	169,836	167,349
of which transfer deals	123,732	120,204	-123,732	-120,204	0	0
of which merchandising	34,706	31,156	-1,414	-1,167	33,292	29,989
of which conference, catering, miscellaneous	36,398	38,563	155	-7,117	36,553	31,446
Total revenue	495,220	498,777	-125,024	-128,521	370,196	370,256
of which external	485,985	489,523	-115,789	-119,267	370,196	370,256
of which internal	9,235	9,254	-9,235	-9,254	0	0
Financial result	1,911	3,299	-5,356	-4,991	-3,445	-1,692
Share of profit from equity investments	0	0	-1	13	-1	13
of which profit and loss transfer	4,669	5,016	-4,669	-5,016	0	0
Net interest income/expense	-2,758	-1,717	-686	12	-3,444	-1,705
of which interest expense	-2,938	-2,720	-793	588	-3,731	-2,132
of which interest income	180	1,003	107	-576	287	427
Depreciation, amortisation and write-downs	-107,028	-92,453	898	-29	-106,130	-92,482
Segment profit before taxes**	-49,675	27,277	3,092	-5,468	-46,583	21,809
Capital expenditure	160,864	139,403	-1,923	3	158,941	139,406
Segment assets***	540,183	534,196	-22,216	-34,125	517,967	500,071
Segment liabilities	194,796	133,628	17,724	11,524	212,520	145,152
Investments accounted for using the equity method	96	96	225	226	321	322
Income from investments in associates	0	0	-1	13	-1	13

* Change in prior-year items. See also "Restatements in accordance with IAS 8.42" in the notes to the consolidated financial statements.

** Before profit or loss transfer.

*** KGaA segment includes EUR 19,645 thousand (previous year: EUR 21,034 thousand) in assets held for sale.

The table below provides a detailed reconciliation of segment profit or loss before taxes, segment assets and segment liabilities:

EUR '000	Segment profit or loss before taxes		Segment assets		Segment liabilities	
	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019
Segments total	-49,675	27,277	540,183	534,196	194,796	133,628
Profit from other companies	94	114	0	0	0	44
Other IFRS adjustments	1,772	-7,469	-5,298	-3,098	0	2,679
IAS 8 adjustments	0	0	0	0	0	0
IFRS 16 adjustments	305	417	22,459	9,258	24,404	11,508
IFRS 9 adjustments	-42	604	-23	7	0	0
IFRS 15 adjustments	118	21	139	21	219	37
Consolidation of long-term financial assets	0	0	-11,621	-11,596	0	0
Stadium buildings plus other assets	845	845	-27,872	-28,717	0	0
Other consolidation	0	0	0	0	-6,899	-2,744
	-46,583	21,809	517,967	500,071	212,520	145,152

The Borussia Dortmund GmbH & Co. KGaA segment exceeded the 10% threshold stipulated in IFRS 8.34 for two customers by a total of EUR 172,660 thousand (previous year: two customers, EUR

168,135 thousand). In the past, no bad debts in excess of 2.5 percent have been reported for these customers. The allocation of revenue items is presented in the table below:

EUR '000	Borussia Dortmund KGaA		BVB Merchandising GmbH		BVB Event & Catering GmbH		besttravel Dortmund GmbH		Total	
	2019/2020	2018/2019*	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019*
Total revenue – 10% threshold	172,660	168,135	0	0	0	0	0	0	172,660	168,135
of which match operations	74	0	0	0	0	0	0	0	74	0
of which advertising	51	50	0	0	0	0	0	0	51	50
of which TV marketing	169,080	166,220	0	0	0	0	0	0	169,080	166,220
of which merchandising	0	0	0	0	0	0	0	0	0	0
of which conference, catering, miscellaneous	3,455	1,865	0	0	0	0	0	0	3,455	1,865

* Change in prior-year items. See also "Restatements in accordance with IAS 8.42" in the notes to the consolidated financial statements.

Derivative financial instruments

As at 30 June 2020, no derivative financial instruments were used.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(1) Intangible assets

EUR '000	30/06/2020	30/06/2019
Player registrations	228,314	161,412
Industrial property rights and similar rights	1,353	2,298
	229,667	163,710

Intangible assets consist of purchased player registrations and computer software. At the end of the reporting period, the weighted remaining

contractual term of the significant player registrations amounted to 3.30 years (30 June 2019: 3.07 years).

Changes in intangible assets were as follows:

EUR '000	Player registrations	Industrial property rights and similar rights	Total
Cost			
As at 30 June 2018*	203,739	2,820	206,559
Additions	130,435	1,739	132,174
Disposals	11,278	458	11,736
Reclassification to assets held for sale	46,388	0	46,388
As at 30 June 2019	276,508	4,101	280,609
Additions	226,336	457	226,793
Disposals	76,616	997	77,613
Reclassification to assets held for sale	22,039	0	22,039
As at 30 June 2020	404,189	3,561	407,750
Depreciation, amortisation and write-downs			
As at 30 June 2018*	84,298	1,919	86,217
Additions	71,642	342	71,984
Disposals	8,788	458	9,246
Reclassification to assets held for sale, disposals	32,056	0	32,056
As at 30 June 2019	115,096	1,803	116,899
Additions	87,880	405	88,285
Disposals	19,418	0	19,418
Reclassification to assets held for sale, disposals	7,683	0	7,683
As at 30 June 2020	175,875	2,208	178,083
Carrying amounts			
As at 30 June 2018*	119,441	901	120,342
As at 30 June 2019	161,412	2,298	163,710
As at 30 June 2020	228,314	1,353	229,667

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements as at 30 June 2019.

(2) Property, plant and equipment

EUR '000	30/06/2020	30/06/2019
Land, land rights and buildings including buildings on third-party land	152,769	156,013
Other equipment, operating and office equipment	40,268	27,988
	193,037	184,001

Property, plant and equipment primarily relates to the stadium, the BVB FanWelt service centre, the Rheinlanddamm plot of land and the administration building located there, and the plot of land at Strobelallee 81. The facilities at the training ground in Dortmund-Brackel, the youth academy, the football academy, the catering areas at the stadium, the administrative headquarters and the associated operating and office equipment constitute further components of this item.

In the current financial year, investments were made in the training ground in Dortmund-Brackel, in SIGNAL IDUNA PARK and in the administration building. In connection with the project to expand BVB's training centre, a new power plant and a sprinting hill were constructed at the Dortmund-Brackel training ground. In addition, investments were made in technical equipment so as to further improve training capabilities.

At SIGNAL IDUNA PARK, investment centred around the security infrastructure and the catering areas.

Various construction projects were carried out at the Rheinlanddamm administration building to improve technical facilities and security.

The items of property, plant and equipment recognised in the statement of financial position as a result of a lease consist of buildings and other facilities (e.g., sport pitches and outdoor grounds) at the Dortmund-Brackel training ground and the youth centre.

In addition, the Wi-Fi and flood lighting system and the advertising boards in the upper stands at SIGNAL IDUNA PARK, as well as the Borussia Dortmund fan shops were also included in property, plant and equipment recognised under leases.

As at 30 June 2020, the following right-of-use assets related to the corresponding items in the statement of financial position:

	Net carrying amounts
EUR '000	30/06/2020
Buildings	16,523
Operating and office equipment	5,936
	22,459

In the previous year, assets had net carrying amounts of EUR 9,258 thousand, of which EUR 7,077 thousand was attributable to buildings and EUR 2,181 thousand to operating and office equipment.

Borussia Dortmund reported additions for right-of-use assets recognised under property, plant and equipment amounting to EUR 16,830 thousand. The additions were offset by EUR 2 thousand in disposals and EUR 3,627 thousand in depreciation (previous year: EUR 3,063 thousand).

Current and non-current lease liabilities are presented minus payments already made.

The interest expense incurred for these items amounted to EUR 571 thousand (previous year: EUR 599 thousand) and are reported under finance costs in the consolidated statement of comprehensive income.

There is an option to purchase the training ground in Dortmund-Brackel once the lease there expires in 2023.

Essentially all of the risks and opportunities in connection with the leased assets have been transferred to Borussia Dortmund.

Changes in property, plant and equipment were as follows:

EUR '000	Land, land rights and buildings, including buildings on third-party land	Other equipment, operating and office equipment	Total
Cost			
As at 30 June 2018	254,136	63,600	317,736
Additions	2,887	13,843	16,730
Disposals	0	736	736
As at 30 June 2019	257,023	76,707	333,730
Additions	2,848	20,416	23,264
Disposals	0	1,124	1,124
As at 30 June 2020	259,871	95,999	355,870
Depreciation, amortisation and write-downs			
As at 30 June 2018	95,239	41,804	137,043
Additions	5,771	7,052	12,823
Disposals	0	137	137
As at 30 June 2019	101,010	48,719	149,729
Additions	6,092	7,850	13,942
Disposals	0	838	838
As at 30 June 2020	107,102	55,731	162,833
Carrying amounts			
As at 30 June 2018	158,897	21,796	180,693
As at 30 June 2019	156,013	27,988	184,001
As at 30 June 2020	152,769	40,268	193,037

(3) Investments accounted for using the equity method

The investment in Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (33.33%) with its HGB financial statements as at 31 December 2019 is reported here.

EUR '000	30/06/2020	30/06/2019
Non-current assets	641	606
Current assets	519	462
Non-current liabilities	177	102
Current liabilities	197	177
Net assets	786	789
Group's share of net assets (33.33%)	262	263
Goodwill	59	59
Dividends received after 31 December 2019	0	0
Carrying amount of interest in associate	321	322
Revenue	4,008	3,947
Profit/loss from continuing operations	-3	41
Comprehensive income (33.33%)	-1	13
Group's share of comprehensive income (33.33%)	-1	13

EUR '000	30/06/2020	30/06/2019
Cash flows from operating activities	118	143
Cash flows from investing activities	-168	-242
Cash flows from financing activities	77	39
Net change in cash and cash equivalents	27	-60

(4) Financial assets

Long-term financial assets relate primarily to long-term, interest-bearing borrowings classified as loans and receivables.

Please refer to Note 29 for information on the fair values of financial assets.

In accordance with IFRS 15, the Group recognises an asset related to products sold with a right of return on the basis of the expected returns. This corresponds to the refund liability. As at 30 June 2020, the asset for the right of return of products amounted to EUR 139 thousand (previous year: EUR 21 thousand).

(5) Trade and other financial receivables

Trade and other financial receivables amounted to EUR 49,200 thousand (previous year: EUR 39,804 thousand) of which EUR 1,996 thousand (previous year: EUR 1,020 thousand) related to other financial receivables and EUR 47,204 thousand to trade

receivables (previous year: EUR 38,784 thousand). Trade receivables included EUR 33,204 thousand in transfer receivables (previous year: EUR 32,641 thousand).

Non-current

EUR '000	30/06/2020	30/06/2019
Trade receivables	12,680	9,743

Non-current trade receivables are discounted using the effective interest method and measured at

amortised cost. Please refer to Note 29 for information on the fair values of financial assets..

Current

EUR '000	30/06/2020	30/06/2019
Trade receivables	38,506	30,893
Less allowances	-3,982	-1,852
Net trade receivables	34,524	29,041
Other financial receivables	1,996	1,020
Receivables from related parties	0	0
	36,520	30,061

Current trade receivables and other assets do not bear interest and mostly have a maturity of up to

three months. Please refer to Note 29 for information on the fair values of financial assets.

(6) Inventories

EUR '000	30/06/2020	30/06/2019
Inventories/merchandise	7,342	5,235
Less write-downs	-588	-666
Net inventories	6,754	4,569

The carrying amount of inventories carried at fair value less costs to sell was EUR 1,645 thousand (previous year: EUR 553 thousand).

Impairments of inventories are carried in the cost of materials.

(7) Cash and cash equivalents

EUR '000	30/06/2020	30/06/2019
Bank balances and cash-in-hand	3,317	55,865

Bank balances bear interest at variable rates of interest applying to demand deposits.

(8) Assets held for sale

Non-current assets are classified as "held for sale" and "measured at the lower of carrying amount and fair value less costs to sell" if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

By virtue of contractual arrangements and current transfer market conditions relating to the pending sale of transfer rights in one of the upcoming transfer windows, non-current intangible assets

were written down by EUR 3,903 thousand (previous year: EUR 13,809 thousand) to their fair value less costs to sell (meaning the gross transfer proceeds to be collected less transfer costs) and reclassified as held for sale. The carrying amount of assets held for sale amounted to EUR 19,645 thousand (previous year: EUR 21,034 thousand). The write-down was recognised under depreciation and amortisation.

(9) Equity

On 25 November 2019, the Annual General Meeting of the Company resolved the following:

The net retained profits of EUR 25,844,185.35 reported in the Company's annual financial statements for the 2018/2019 financial year were used as follows:

- EUR 5,518,866.00 was used to distribute to the limited liability shareholders a dividend of EUR 0.06 per share carrying dividend rights.
- the remaining EUR 20,325,319.35 was transferred to other revenue reserves.

The dividend was paid from 27 November 2019.

In light of the fact that the Company reports a net loss for the financial year, the management does not intend to propose to the Annual General Meeting any dividend distribution for financial year 2019/2020.

Changes in equity and non-controlling interests are presented in the consolidated statement of changes in equity.

Subscribed capital

The subscribed capital of Borussia Dortmund GmbH & Co. KGaA is divided into no-par value shares with a notional share in the share capital of EUR 1.00 per share, with each share bearing

equal rights. The shares are fully paid-up; the number of shares issued and the number of shares outstanding changed as follows:

Number of shares	Issued	Treasury shares	Outstanding
Balance as at 1 July 2018	92,000,000	-18,900	91,981,100
Change in treasury shares	0		
as at 30 June 2019	92,000,000	-18,900	91,981,100
Change in treasury shares	0		
as at 30 June 2020	92,000,000	-18,900	91,981,100

In the period between the date of admission of the Company's shares to trading (31 October 2000) and the end of the reporting period, the Company acquired a total of 34,000 no-par value shares and sold 15,100 no-par value shares off-market in the form of printed physical share certificates. At the end of the reporting period, the Company's holding of its own securities consisted of 18,900 no-par value shares. This represented 0.021% of the share capital.

By virtue of a resolution by the Annual General Meeting on 24 November 2014, the Company was authorised until 23 November 2019, subject to the consent of the Supervisory Board, to increase the share capital by a maximum of EUR 23,000,000.00 in total by issuing new no-par value ordinary bearer shares against cash and/or in-kind contributions on one or more occasions. This authorisation was not utilised and has lapsed.

Reserves

Capital reserves consist exclusively of transfers in respect of premiums on the issue of new shares after deducting the net costs of the placement and the Company's share of revenues from the sale of treasury shares.

Other revenue reserves comprise profits generated and not distributed by Group companies in the current year and previous years and accumulated losses. In addition, the net effect, taking account of subsequent adjustments, of the remeasurement of SIGNAL IDUNA PARK in accordance with IFRS 1.16 is reported under this item.

Capital management

The objective of capital management is to ensure the Group's long-term ability to function on a going concern basis and to generate appropriate returns for shareholders. Debt management steers the raising of debt, particularly with regard to financing with matching maturities. The capital structure is managed in such a way that changes in macroeconomic conditions and risks arising from the underlying assets are taken into account. Short-term target-performance comparisons and medium- and long-term financial planning are used in the capital structure management process.

The capital structure at the end of the reporting period was as follows:

EUR '000	30/06/2020	30/06/2019
Equity of shareholders	305,447	354,919
Share in total capital	58.97 %	70.97 %

(10) Provisions

Due to the reversal of the EUR 1,671 thousand provision for litigation and liability risks relating to legal proceedings, provisions were reduced to EUR 0 thousand as at 30 June 2020.

This was done due to new information coming to light indicating positive developments in the legal proceedings.

Because the legal dispute was decided in favour of Borussia Dortmund in the first instance, it is expected that the proceedings will have a positive outcome in the second instance as well.

(11) Lease liabilities

The payment obligations under leases are due for payment as follows:

EUR '000	30/06/2020	30/06/2019
Less than 1 year	5,135	3,614
Between 1 and 5 years	13,886	8,428
More than 5 years	8,569	838
	27,590	12,880
Future finance charges from leases	-3,186	-1,372
Present value of liabilities from leases	24,404	11,508

The change in the maturity structure of the present values of lease liabilities was as follows:

EUR '000	30/06/2020	30/06/2019
Less than 1 year	4,350	3,127
Between 1 and 5 years	12,943	7,591
More than 5 years	7,111	790
	24,404	11,508

(12) Trade payables

Trade payables amounted to EUR 137,059 thousand (previous year: EUR 62,150 thousand), of which EUR 120,287 thousand (previous year: EUR 48,521

thousand) related to liabilities from transfer deals. The increase resulted primarily from new obligations for the professional squad.

(13) Other financial obligations

EUR '000	30/06/2020	30/06/2019
Non-current		
Other	0	7,204
	0	7,204
Current		
Other taxes	9,949	8,106
Other	29,166	25,549
	39,115	33,655
Total other financial liabilities	39,115	40,859

Current other financial liabilities increased by EUR 5,460 thousand. This increase was due mainly to the fact that services in the match operations division were not rendered because the COVID-19 pandemic meant that spectators were not admitted to the stadium when Bundesliga match play resumed. In addition, other financial liabilities include refund

liabilities amounting to EUR 219 thousand (previous year: EUR 38 thousand). The refund liability relates to the customer's right to return products within 30 days of purchase. A refund liability and a corresponding adjustment of revenue is recognised at the time of sale for products for which a return is expected.

(14) Prepaid expenses and deferred income

Prepaid expenses

EUR '000	30/06/2020	30/06/2019
Non-current		
Deferred income related to professional squad	4,569	12,799
Insurance premiums	2	16
Other advance payments	1,147	1,072
	5,718	13,887
Current		
Deferred income related to professional squad	6,560	10,274
Insurance premiums	604	713
Other advance payments	2,737	4,039
	9,901	15,026

Deferred income

EUR '000	30/06/2020	30/06/2019
Non-current		
Advance payments received from sponsors	230	0
	230	0
Current		
Advance payments for agency and marketing rights	0	4,000
Advance payments received from ticket sales	2	16,718
Advance payments received from sponsors	2,931	3,365
Other advance payments	708	1,391
	3,641	25,474

Current deferred income as reported amounted to EUR 3,641 thousand (previous year: EUR 25,474 thousand), and consisted primarily of proceeds from sponsoring agreements relating to the 2020/2021 season.

Because of the COVID-19 pandemic, it was uncertain at the reporting date whether and under what circumstances matches in the 2020/2021 season would be played out before spectators. As a result,

the sale of season tickets was suspended, meaning that in contrast to the previous year these are not reported under deferred income.

The licence fees collected by the marketing firm SPORTFIVE Germany GmbH (formerly Lagardère Sports Germany GmbH) in financial year 2007/2008 to be amortised over the 12-year term of the agency licensing agreement were recognised under deferred income for the final time during the reporting period.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(15) Revenue

EUR '000	2019/2020	2018/2019*
Match operations	32,510	44,659
Advertising	98,005	96,813
TV Marketing	169,836	167,349
Merchandising	33,292	29,989
Conference, catering, miscellaneous	36,553	31,446
	370,196	370,256

* Change in prior-year items. See also "Restatements in accordance with IAS 8.42" in the notes to the consolidated financial statements.

Revenue is generated primarily in Germany. It includes prior-period revenue of EUR 785 thousand (previous year: EUR 4,706 thousand). Prior-period revenue relates primarily to income from TV marketing and conference, catering and miscellaneous income.

(16) Net transfer income

EUR '000	2019/2020	2018/2019*
Gross transfer proceeds	116,688	119,268
Transfer costs	-7,488	-15,125
Net transfer proceeds	109,200	104,143
Residual carrying amount	-69,040	-21,262
Net transfer income	40,160	82,881

* Change in prior-year items. See also "Restatements in accordance with IAS 8.42" in the notes to the consolidated financial statements.

(17) Other operating income

Other operating income increased by EUR 1,449 thousand year on year to EUR 9,195 thousand and primarily includes income recognised due to unclaimed refunds amounting to EUR 1,831 thousand, income from insurance reimbursements amounting to EUR 954 thousand and prior-period income of EUR 5,033 thousand (previous year: EUR 3,650 thousand), of which EUR 3,016 thousand from the reversal of provisions and derecognition of liabilities.

(18) Cost of materials

Cost of materials increased by EUR 1,119 thousand to EUR 22,392 thousand. This item includes the cost of goods sold for BVB Event & Catering GmbH and BVB Merchandising GmbH.

(19) Personnel expenses

No defined-benefit pension entitlements have been granted to employees of the BVB Group. Payments to the state pension scheme are reported under social security contributions.

EUR '000	2019/2020	2018/2019
Wages and salaries	206,939	197,681
Social security contributions	8,218	7,423
	215,157	205,104

During financial year 2019/2020, EUR 2,750 thousand was paid into the German statutory retirement pension system (previous year: EUR 2,641 thousand).

(20) Depreciation and amortisation

EUR '000	2019/2020	2018/2019
Amortisation of intangible assets	92,188	79,659
Depreciation of property, plant and equipment	13,942	12,823
	106,130	92,482

(21) Other operating expenses

EUR '000	2019/2020	2018/2019*
Match operations	47,211	47,318
Advertising	26,989	25,673
Transfer deals	4,654	7,225
Retail	6,463	5,981
Administration	25,352	26,201
Other	8,341	6,125
	119,010	118,523

* Change in prior-year items. See also "Restatements in accordance with IAS 8.42" in the notes to the consolidated financial statements.

Other operating expenses include prior-period expenses in the amount of EUR 776 thousand (previous year: EUR 61 thousand).

(22) Financial result

EUR '000	2019/2020	2018/2019
Net income/loss from investments in associates (see Note (3))	-1	13
Finance income		
Interest income in accordance with IFRS 9	167	291
Other interest income	120	136
	287	427
Finance costs		
Discounting expenses and other interest	-2,879	-1,303
Interest expenses for lease liabilities	-571	-599
Interest expenses in accordance with IFRS 9	-281	-230
	-3,731	-2,132
	-3,445	-1,692

(23) Income taxes and deferred taxes

All tax liabilities (EUR 40 thousand; previous year: EUR 811 thousand) are current.

The deferred tax assets and liabilities reported in the consolidated statement of financial position relate to the following items:

EUR '000	Net as at 30/06/2019	Recognised in profit or loss	Recognised in OCI	Net as at 30/06/2020	Deferred tax assets	Deferred tax liabilities
Intangible assets	11	5,466	0	5,477	5,477	0
Property, plant and equipment	-5,085	-1,081	0	-6,166	61	-6,227
Trade receivables and other assets	235	40	0	275	275	0
Trade payables	-9,716	-6,970	0	-16,686	639	-17,325
Tax loss carry-forwards	11,876	5,224	0	17,100	17,100	0
Total	-2,679	2,679	0	0	23,552	-23,552

EUR '000	Net as at 30/06/2018*	Recognised in profit or loss	Recognised in OCI	Net as at 30/06/2019	Deferred tax assets	Deferred tax liabilities
Intangible assets	6,792	-6,781	0	11	11	0
Property, plant and equipment	-4,198	-887	0	-5,085	116	-5,201
Trade receivables and other assets	0	-28	263	235	235	0
Trade payables	-11,106	1,390	0	-9,716	738	-10,454
Tax loss carry-forwards	8,512	3,364	0	11,876	11,876	0
Total	0	-2,942	263	-2,679	12,976	-15,655

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements as at 30 June 2019.

Deferred taxes recognised in other comprehensive income in the previous year resulted in each case from cash flow hedges.

The income tax expense was made up as follows:

EUR '000	2019/2020	2018/2019
Income taxes		
Current period	-40	-1,742
Prior period	-9	266
Deferred tax benefit/expense in connection with the creation or reversal of temporary differences	-2,545	-6,306
Tax loss carryforwards not yet utilised	5,224	3,364
	2,630	-4,418

At the end of the reporting period, the Group had corporation tax loss carry-forwards amounting to EUR 44,270 thousand (previous year: EUR 0 thousand) and trade tax loss carry-forwards amounting to EUR 29,492 thousand (previous year: EUR 0 thousand) for which no deferred tax assets have been recognised. The tax loss carry-forwards have an unlimited carry-forward period.

The expected income tax expense which would theoretically result from applying the weighted average tax rate of 32.81% (previous year: 32.81%) can be reconciled with the actual income tax benefit reported in the consolidated statement of comprehensive income as follows:

EUR '000	2019/2020	2018/2019
Consolidated net profit before income taxes	-46,583	21,809
<i>Theoretical tax rate in %</i>	<i>32.81</i>	<i>32.81</i>
Expected income tax payment/benefit	15,284	-7,156
Effects from tax additions and subtractions	1,240	2,486
Effect of supplementary tax accounts	0	0
Losses in the financial year for which no deferred taxes were recognised	0	0
Change in ability to utilise tax loss carry-forwards	-16,564	2,928
Change in deferred taxes	2,679	-2,942
Prior-year taxes	-9	266
Tax implications of accounting using the equity method	0	0
Tax payment/benefit as reported in the consolidated statement of comprehensive income	2,630	-4,418
<i>Actual tax rate in %</i>	<i>-5.64</i>	<i>20.26</i>

(24) Consolidated statement of cash flows

Cash and cash equivalents reported in the statement of financial position amounted to EUR 3,317 thousand (previous year: EUR 55,865 thousand). In addition, liabilities to banks amounting to EUR 8,031 thousand (previous year: EUR 0 thousand) were reported during the period under review.

amounted to EUR -50,769 thousand (previous year: EUR -23,509 thousand).

Net cash flows from investing activities included transfer proceeds, netted directly against payments linked to transfers amounting to EUR 8,955 thousand (previous year: EUR 25,823 thousand).

Cash flows from operating activities amounted to EUR -362 thousand (previous year: EUR 28,710 thousand) and cash flows from investing activities

The changes in financial liabilities reported under cash flows from financing activities were as follows:

Reconciliation of change in liabilities to cash flows from financing activities in accordance with IAS 7.44

EUR '000	Equity			Liabilities/derivatives		
	Subscribed capital	Reserves	Treasury shares	Lease liabilities	Other financial liabilities	Total
Balance as at 30 June 2019	92,000	263,032	-113	11,508	40,859	407,286
Acquisition of minority interests	0	0	0	0	0	0
Payment for settlement of derivatives	0	0	0	0	0	0
Dividend payments	0	-5,519	0	0	0	-5,519
Repayment of lease liabilities	0	0	0	-3,929	0	-3,929
Total change in cash flows from financing activities	0	-5,519	0	-3,929	0	-9,448
Other changes related to liabilities						
Change in other financial liabilities	0	0	0	0	-1,744	-1,744
Change in lease liabilities	0	0	0	16,825	0	16,825
Other changes related to equity						
Consolidated net loss for the year	0	-43,953	0	0	0	-43,953
Total other changes related to liabilities	0	0	0	16,825	-1,744	15,081
Total other changes related to equity	0	-43,953	0	0	0	-43,953
Balance as at 30 June 2020	92,000	213,560	-113	24,404	39,115	368,966

OTHER DISCLOSURES

FINANCIAL RISKS

(25) Credit risk

The carrying amounts of the following financial instruments reflect the Group's maximum exposure to credit risk. At the end of the reporting period, the maximum exposure was as follows:

Carrying amounts of financial instruments

EUR '000	2019/2020	2018/2019
Financial assets, receivables and other financial receivables	49,607	41,657
Cash and cash equivalents	3,317	55,865

When reporting trade receivables, Borussia Dortmund uses the simplified approach whereby expected credit losses are recognised over the entire remaining term upon recognition. Under the simplified approach, Borussia Dortmund calculates expected credit losses broken down by risk groups and taking into account historical loss rates. The allocation to the respective risk groups is based on the shared credit risk characteristics. At Borussia Dortmund, these are receivables from transfer deals on the one hand, and other trade receivables related primarily to ticketing, merchandising and sponsorships on the other. Credit loss rates specific to the risk clusters are calculated on the basis of the historical credit loss rates for the past three financial years and taking into account forward-looking macroeconomic indicators (gross domestic product) as well as an

assessment of the economic impact of the COVID-19 pandemic. This method of calculation resulted in a loss rate that was insignificantly higher than in the previous year.

Under the simplified approach, loss allowances are recognised on an individual basis if one or more events occur that have a detrimental impact on the creditworthiness of the debtor. These events include default in payment, impending insolvency or concessions by the debtor due to payment difficulties. Trade receivables are written off immediately if their recoverability is no longer expected with sufficient probability. This is the case, for example, when the debtor is in default.

Receivables from transfer deals represent a concentration of risk. These are hedged via transfer rights.

The change in loss allowances on the basis of the expected credit losses for trade receivables as at 30 June 2020 is presented in the table below:

EUR '000	2019/2020	2018/2019
Loss allowances as at 1 July in accordance with IAS 39	0	1,500
Adjustment in connection with the initial application of IFRS 9	0	11
Loss allowances as at 1 July in accordance with IFRS 9	1,852	1,511
Transfers recognised in profit or loss	2,552	860
Reversals recognised in profit or loss	-427	-94
Items recognised outside profit or loss	0	-431
Loss allowances in accordance with IFRS 9	5	6
Loss allowances as at 30 June	3,982	1,852

The maturities of trade receivables as at the end of the reporting period were as follows:

Maturity analysis of receivables

EUR '000	2019/2020	2018/2019
Not yet due	48,767	38,437
Less than 30 days past due	358	1,301
Between 30 and 89 days past due	74	66
More than 90 days past due	1	0
	49,200	39,804

Cash and cash equivalents relate to bank balances and short-term investments in the form of overnight and time deposits. Borussia Dortmund only deposits money at banks with investment grade ratings. Furthermore, the creditworthiness of the banks is regularly monitored on the basis of credit default swaps (CDS).

Due to the short investment term and the creditworthiness of the banks, cash and cash equivalents are subject to a low level of credit risk. Thus, as in the previous year, no material loss allowances had been recognised.

The table below contains information on the credit risk and the expected credit losses according to the classes of receivables defined by Borussia Dortmund as at 30 June 2020:

EUR '000	Gross carrying (EUR '000)	Default rate (%)	Expected credit losses (EUR '000)
Receivables from transfer deals	24,103	0.06	14
Other trade receivables	14,008	0.06	9
Total	38,111		23

30 June 2019

EUR '000	Gross carrying (EUR '000)	Default rate (%)	Expected credit losses (EUR '000)
Receivables from transfer deals	28,175	0.05	14
Other trade receivables	6,146	0.05	3
Total	34,321		17

(26) Interest rate risk

As in the previous year, Borussia Dortmund's portfolio only included non-derivative financial instruments bearing fixed interest as at 30 June 2020. Of those, only the financial instruments that

are measured at fair value through profit or loss are subject to interest rate risk. Please refer to the disclosures on receivables intended for factoring and measured at fair value in Note 29.

Carrying amounts of non-derivative interest-bearing financial instruments

EUR '000	30/06/2020		30/06/2019	
	Fixed interest	Variable interest	Fixed interest	Variable interest
Financial assets, receivables and other financial receivables	49,607	0	41,657	0
Financial liabilities from leases	24,404	0	11,508	0

(27) Net gains/losses

The net gains and losses from financial instruments presented below comprise measurement gains and losses, premium and discount amortisation, the

recognition and reversal of impairment write-downs, interest and all other earnings impacts from financial instruments.

Net gains and losses from financial instruments

Measurement category in accordance with IFRS 9

EUR '000	2019/2020	2018/2019
Financial assets measured at amortised cost	-3,276	-923
Of which net interest expense/income	-1,142	-156
Financial assets measured at fair value through profit or loss	-115	58
Of which net interest expense/income	-115	61
Financial liabilities measured at amortised cost	-2,187	-1,610
Of which net interest expense/income	-2,187	-1,610
Net gains/losses from financial instruments	-5,578	-2,475
Of which net interest expense/income	-3,444	-1,705

(28) Liquidity risk

The following table shows the contractually arranged undiscounted payments of interest and principal in respect of financial liabilities. Whenever a right of termination exists, the figures are reported as at the earliest possible termination date.

Maturities of contractual cash flows from financial liabilities in 2020

EUR '000	Lease liabilities	Trade and other financial liabilities	Total
2020/2021	5,135	67,432	72,567
2021/2022	4,670	40,150	44,820
2022/2023	4,753	27,137	31,890
2023/2024	2,694	2,340	5,034
2024/2025	1,769	0	1,769
2025 and beyond	8,569	0	8,569
	27,590	137,059	164,649

Maturities of contractual cash flows from financial liabilities in 2019

EUR '000	Lease liabilities	Trade and other financial liabilities	Total
2019/2020	3,614	94,305	97,919
2020/2021	2,572	5,159	7,731
2021/2022	2,448	3,485	5,933
2022/2023	2,569	60	2,629
2023/2024	858	0	858
2024 and beyond	818	0	818
	12,879	103,009	115,888

(29) Fair values of financial instruments by class and category

The table below provides a reconciliation of the individual classes and categories of IFRS 9 to the items of the statement of financial position and the fair values as at 30 June 2020:

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2020	Fair value 30/06/2020
ASSETS		
At amortised cost		
Non-current financial assets	32	32
Non-current trade and other receivables	3,565	3,565
Current trade and other receivables	36,520	36,520
Cash and cash equivalents	3,317	3,317
At fair value through profit or loss		
Receivables intended for factoring	9,115	9,115
Total	52,549	52,549

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2020	Fair value 30/06/2020
LIABILITIES		
At amortised cost		
Non-current lease liabilities	20,054	n/a
Non-current trade payables	69,627	69,627
Current financial liabilities	8,031	8,031
Current lease liabilities	4,350	n/a
Current trade payables	67,432	67,432
Other current financial liabilities	39,115	39,115
Total	208,609	184,205

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2019	Fair value 30/06/2019
Assets		
At amortised cost		
Non-current financial assets	52	52
Non-current trade and other receivables	5,263	5,263
Current trade and other receivables	30,061	30,061
Cash and cash equivalents	55,865	55,865
At fair value through profit or loss		
Receivables intended for factoring	4,480	4,480
Total	95,721	95,721

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2019	Fair value 30/06/2019
Liabilities		
At amortised cost		
Non-current lease liabilities	8,381	n/a
Non-current trade payables	1,500	1,500
Other trade payables	7,204	7,204
Current lease liabilities	3,127	n/a
Current trade payables	60,650	60,650
Other current financial liabilities	33,655	33,655
Total	114,517	103,009

Any necessary transfers between the levels of the fair value hierarchy take place as at the end of the financial year in which the event triggering them occurs. There were no reclassifications in the current financial year. The fair value of receivables earmarked for factoring is assigned to level 3 and the fair value of all other financial instruments specified above is assigned to level 2.

Due to their short residual terms, the carrying amounts reported for current trade receivables and payables and cash are roughly equivalent to their fair values.

Non-current trade receivables and liabilities are discounted to present value and accrue interest. In these cases, the carrying amounts largely correspond to fair value.

Receivables that can potentially be sold as part of factoring are recognised at fair value through profit or loss on the basis of the business model in accordance with the requirements of IFRS 9. The fair value is measured by discounting the cash flows. The measurement models take into account the present value of the expected payments, discounted using a risk-adjusted discount rate.

Borussia Dortmund regularly receives an individually-calculated discount rate from the factor (30 June 2020: 2.65%). Thus, the fair value would increase (decrease) at the same rate if the discount rate were

lower (higher). Since the changes in fair value are recognised in the income statement, the table below presents the effects on earnings as at the end of the reporting period:

EUR '000	
Carrying amount of receivables intended for factoring (1 July 2019)	4,480
Additions	4,750
Disposals	0
Gains/losses recognised through profit or loss	-115
Other changes in connection with initial application	0
Carrying amount of receivables intended for factoring (30 June 2020)	9,115

The fair value of other financial assets and liabilities is measured using the discounted cash flow valuation technique. The discount rates used were taken from the "Yields on listed Federal securities" as published by the Bundesbank at the end of the reporting period, plus a risk premium.

The discount rates valid at the end of the reporting period had matching maturities and formed the basis of the valuation model.

(30) Earnings per share

Earnings per share are calculated in accordance with IAS 33 (Earnings Per Share) by dividing the net profit or loss for the period attributable to the shareholders of the parent by the weighted average

number of shares outstanding. Earnings per share relate only to shares in the parent company. Since there are no potential ordinary shares, basic and diluted earnings per share are the same.

(31) Transactions with related parties

The general partner in Borussia Dortmund GmbH & Co. KGaA is Borussia Dortmund Geschäftsführungs-GmbH. The latter is responsible for the management and legal representation of Borussia Dortmund GmbH & Co. KGaA. The power to appoint and remove members of staff thus rests with BV. Borussia 09 e.V., Dortmund, in its capacity as the sole shareholder in Borussia Dortmund Geschäftsführungs-GmbH. Both Borussia Dortmund Geschäftsführungs-GmbH and

BV. Borussia 09 e.V. Dortmund, as well as all companies associated therewith hence are deemed to be related parties in accordance with IAS 24.

Please refer to Notes 35 and 37 for further disclosures on the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA and the management of BVB Geschäftsführungs-GmbH.

Related party disclosures

EUR '000	2019/2020	2018/2019
Transactions with BV. Borussia 09 e.V. Dortmund		
Rental income	329	329
Income from other services	411	384
Income from ticket sales	104	10
Transactions with Borussia Dortmund Geschäftsführungs-GmbH		
Expense from costs recharged	3,917	6,099
of which from executive remuneration falling due	3,588	5,273
Transactions with Orthomed GmbH		
Expense from other services	322	300

EUR '000	30/06/2020	30/06/2019
Other current and non-current assets		
Intercompany account with BV. Borussia 09 e.V. Dortmund	39	0
Other current liabilities		
Intercompany account with BV. Borussia 09 e.V. Dortmund	0	451
Intercompany account with Borussia Dortmund Geschäftsführungs-GmbH	1,933	1,335

In addition, transactions were entered into with members of the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA and the management and Advisory Board of BVB Geschäftsführungs-

GmbH (merchandising, tickets, sponsorship, events and travel services) amounting to EUR 213 thousand (previous year: EUR 244 thousand). These transactions were conducted at arm's length.

(32) Other financial obligations

EUR '000	30/06/2020	Total	Due after		
			less than 1 year	1-5 years	more than 5 years
Rental and lease payments		1,301	536	700	65
Marketing fees		45,410	6,075	30,587	8,748
Other obligations		3,301	840	2,321	140
		50,012	7,451	33,608	8,953
Purchase commitments		0	0	0	0

In financial year 2019/2020, EUR 897 thousand in rental and lease payments were expensed for leases within the meaning of IFRS 16.6.

EUR '000		Due after		
		less than 1 year	1-5 years	more than 5 years
30/06/2019	Total			
Rental and lease payments	972	429	418	125
Marketing fees	58,311	21,962	23,777	12,572
Other obligations	3,746	907	1,845	994
	63,029	23,298	26,040	13,691
Purchase commitments	147,450	72,850	74,600	0

In financial year 2018/2019, EUR 1,045 thousand in rental and lease payments were expensed for leases within the meaning of IFRS 16.6.

The minimum lease payments relate mostly to lease agreements for offices and various motor vehicles.

The purchase commitments relate primarily to the acquisition of intangible assets.

In addition, a total of EUR 41,186 thousand (previous year: EUR 57,236 thousand) in variable payment obligations under existing agreements with conditions precedent were reported as at 30 June 2020, of which EUR 26,604 thousand (previous year: EUR 31,983 thousand) were due in less than one year.

(33) Events after the end of the reporting period

Transfer deals

After already being on loan for the 2019/2020 season, Ömer Toprak has now made his move to SV Werder Bremen permanent.

Borussia Dortmund and André Schürrle – most recently on loan to the Russian first-division club FC Spartak Moscow – have mutually agreed to rescind the contract which had an original term expiring in 2021.

Other

The existing EUR 60,000 thousand overdraft facility was expanded by EUR 60,000 thousand.

Match operations

On 10 July 2020, the DFB Executive Committee adopted the new fixture calendar for the 2020/2021 season. This stipulated that Bundesliga matches would start on 18 September 2020. The 34th and final Bundesliga match day is scheduled for 22 May 2021.

The DFB Cup will start with the first round one week before the Bundesliga from 11 September 2020.

The DFL Super Cup between Borussia Dortmund and Bayern Munich will be played on 30 September 2020.

The dates for the UEFA Champions League have also already been set: the first match day of the group stage will be played on 20/21 October 2020.

(34) Average number of salaried employees

	2019/2020	2018/2019
Total	902	833
of which in the Athletics Department	273	269
of which trainees	15	16
of which other	614	548

(35) Management

Management remuneration

EUR '000	2019/2020	2018/2019
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	1,802	1,900
Other remuneration	40	38
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	860	934
Other remuneration	72	69
Carsten Cramer		
Fixed components		
Fixed remuneration	864	871
Other remuneration	42	52
	3,680	3,864

The members of management received remuneration within the meaning of IAS 24.17 (a) in the 2019/2020 financial year.

thousand in performance-based remuneration, Thomas Treß received EUR 344 thousand and Carsten Cramer received EUR 344 thousand.

The management did not receive any performance-based remuneration for the 2019/2020 financial year. In the previous year, Hans-Joachim Watzke received EUR 720

EUR 23 thousand in employer contributions to the German statutory retirement pension system were incurred (previous year: EUR 22 thousand).

(36) Auditors' fees

These were reported in accordance with the classification set out in IDW AcP HFA 36.

EUR '000	2019/2020	2018/2019
Audit services	256	220
Other audit-related work	50	93
Tax advisory services	2	6
Other services	2	392

KPMG AG Wirtschaftsprüfungsgesellschaft audited the annual and consolidated financial statements of Borussia Dortmund GmbH & Co. KGaA and conducted further statutory and voluntary audits at subsidiaries. The auditors reviewed the interim consolidated financial statements and carried out mandatory audits and reviews as part of the DFL licensing procedure pursuant to the DFL licensing regulations. KPMG also provided tax advisory

services covering advice and assessment in individual cases and audited the separate non-financial Group report.

The other advisory services relate to confirmations in connection with licensing procedures.

Advisory services relating to the General Data Protection Regulation were reported under other services in the previous year.

(37) Supervisory Board

The names of the members of the Company's Supervisory Board in the 2019/2020 financial year, their right to remuneration, their occupations and their further responsibilities on other management bodies are listed below:

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. KGaA

Gerd Pieper	Dr. Werner Müller	Christian Kullmann	Bernd Geske	Peer Steinbrück	Ulrich Leitemann	Bjørn Gulden	Dr. Reinhold Lunow	Silke Seidel	Bodo Löttgen
Chairman	Deputy Chairman (until 15 July 2019, deceased)	Deputy Chairman (since 28 August 2019)							(since 25 November 2019)

RIGHT TO REMUNERATION IN 2019/2020 (EUR '000) (the members received all remuneration in accordance with IAS 24.17 (a) in the 2019/2020 financial year).

48 (previous year: EUR 24 thousand)	6 (previous year: EUR 18 thousand)	34 (previous year: EUR 12 thousand)	24 (previous year: EUR 12 thousand)	24 (previous year: EUR 12 thousand)	24 (previous year: EUR 12 thousand)	24 (previous year: EUR 12 thousand)	24 (previous year: EUR 12 thousand)	24 (previous year: EUR 12 thousand)	14 (previous year: EUR 0 thousand)
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OCCUPATIONS (as at 30 June 2020)

Retired; former Managing Director of Stadt-Parfümerie Pieper GmbH, Herne	Chairman of the Executive Board of Evonik Industries AG, Essen	Managing partner of Bernd Geske Lean Communication, Meerbusch	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group (SIGNAL Krankenversicherung a.G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., Hamburg; SIGNAL IDUNA Unfallversicherung a.G., Dortmund)	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmund Stadwerke AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund	Chair of the CDU parliamentary group in the state parliament of North Rhine-Westphalia, detective chief inspector (Kriminalhauptkommissar) (ret.), public administration graduate
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OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 30 June 2020)

Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund	Chairman of the Supervisory Board of Clear-VAT Aktiengesellschaft, Berlin	Member and Chairman of the Supervisory Board of Dortmund Volksbank eG, Dortmund	Member of the Supervisory Board of Tchibo GmbH, Hamburg
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(38) Exercise of the exemption option pursuant to § 264 (3) HGB

The preparation of consolidated financial statements effectively exempts BVB Merchandising GmbH and BVB Event & Catering GmbH from the obligation to prepare annual financial statements within the meaning of § 264 (3) HGB.

(39) Notifiable shareholdings

(under § 160 (1) no. 8 AktG in conjunction with § 33 (1) and (2) WpHG)

Of the shareholdings in our Company, the following were notified to us pursuant to § 33 (1) of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG") and published with the following content pursuant to § 40 (1) WpHG in financial year 2019/2020:

Lansdowne European Absolute Opportunities Fund Limited, George Town, Grand Cayman, Cayman Islands, notified us on 26 May 2020 that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.001% on 29 April 2020 (2,761,052 voting rights/shares) and that all of these voting rights were attributable to Lansdowne European Absolute Opportunities Fund Limited pursuant to § 34 WpHG via Lansdowne European Absolute Opportunities Master Fund Limited as the shareholder, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- Lansdowne European Absolute Opportunities Fund Limited
- Lansdowne European Absolute Opportunities Master Fund Limited with a voting interest of 3.001%

Mr Ralph Dommermuth notified us on 2 March 2020 that his voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 5.004% on 2 March 2020 (4,604,000 voting rights/shares) and that all of these voting rights were attributable to him (Mr Ralph Dommermuth) pursuant to § 34 WpHG via Ralph Dommermuth Beteiligungen GmbH, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- Ralph Dommermuth
- Ralph Dommermuth Verwaltungs GmbH
- Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft
- Ralph Dommermuth Beteiligungen GmbH with a voting interest of 5.004%

RAG-Stiftung, Essen, Germany, notified us on 19 February 2020 that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 9.83% on 14 February 2020 (9,046,509 voting rights/shares) and that all of these voting rights were attributable to RAG-Stiftung pursuant to § 34 WpHG via Evonik Industries AG, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- RAG-Stiftung
- Evonik Industries AG with a voting interest of 9.83%

Dimensional Holdings Inc., Austin, Texas, USA, notified us on 27 January 2020 that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 2.996% on 22 January 2020 (2,756,130 voting rights/shares) and that all of these voting rights were attributable to Dimensional Holdings Inc. pursuant to § 34 WpHG, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- (1)
 - Dimensional Holdings Inc.
 - Dimensional Fund Advisors LP
 - Dimensional Fund Advisors Ltd.
- (2)
 - Dimensional Holdings Inc.
 - Dimensional Fund Advisors LP
 - DFA Canada LLC
 - Dimensional Fund Advisors Canada ULC

- (3)
- Dimensional Holdings Inc.
 - Dimensional Fund Advisors LP
 - DFA Australia Limited

- (4)
- Dimensional Holdings Inc.
 - Dimensional Fund Advisors LP
 - Dimensional Fund Advisors Ltd.
 - Dimensional Fund Advisors Pte. Ltd.

Lansdowne Partners International Ltd., George Town, Grand Cayman, Cayman Islands, notified us on 11 December 2019 that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.01% on 5 December 2019 (2,767,730 voting rights/shares) and that all of these voting rights were attributable to Lansdowne Partners

International Ltd. pursuant to § 34 WpHG, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- (1)
- Lansdowne Partners International Ltd. with a voting interest of 3.01%
 - Lansdowne Partners Ltd.
 - Lansdowne Partners (UK) LLP with a voting interest of 3.01%
- (2)
- Lansdowne Partners International Ltd. with a voting interest of 3.01%
 - Lansdowne General Partner I Limited
 - Lansdowne European Absolute Opportunities Master Fund LP

(40) Shareholdings by members of governing bodies

As at 30 June 2020, one member of management held 7,045 no-par value shares in the Company. As at the same date, the members of the Supervisory Board held a total of 8,602,009 no-par value shares.

Members of management and the Supervisory Board hold a total of 8,609,054 no-par-value shares, which corresponds to more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

(41) Corporate Governance

The management and Supervisory Board of Borussia Dortmund GmbH & Co. KGaA issued the Declaration of Conformity with the German Corporate Governance Code required by § 161 of the German Stock

Corporation Act (*Aktiengesetz*, "AktG") on 9 September 2019 and made it permanently available to shareholders on the website at <https://aktie.bvb.de/eng/Corporate-Governance/Statement-of-Compliance>.

Dortmund, 17 August 2020

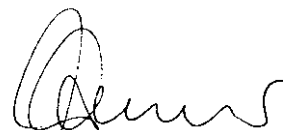
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

INDEPENDENT AUDITOR'S REPORT

To Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Opinions

We have audited the consolidated financial statements of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund ("Borussia Dortmund") and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of June 30, 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from July 1, 2019 to June 30, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien for the financial year from July 1, 2019 to June 30, 2020.

In accordance with German legal requirements, we have not audited the content of those components of the group management report specified in the "Other Information" section of our auditor's report. The group management report contains cross-references that are not required by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of June 30, 2020, and of its financial performance for the financial year from July 1, 2019, to June 30, 2020, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the

consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of those components of the group management report specified in the "Other Information" section of the auditor's report. The group management report contains cross-references that are not required by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) [Institute of Public Auditors in Germany]. Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements

for the financial year from July 1, 2019 to June 30, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Measurement of player registrations as well as the completeness and measurement of liabilities from transfers

We refer to the information in the notes to the consolidated financial statements on accounting policies (Section: Intangible assets) and to the explanatory notes to the consolidated statement of financial position (Section (1) Intangible assets, (8) Assets held for sale and (12) Trade payables).

THE CONSOLIDATED FINANCIAL STATEMENT RISK

Player registrations in the amount of EUR 228.3 million are presented under intangible assets in the consolidated financial statements of Borussia Dortmund. Player registrations rose to EUR 228.3 million in the financial year ended due to additions of EUR 226.3 million, disposals of EUR 57.2 million, write-downs of EUR 87.9 million and reclassifications of EUR 14.4 million. Trade payables include transfer liabilities of EUR 120.3 million.

The acquisition cost of player registrations is determined based on individual and complex transfer agreements between the transferring and receiving clubs as well as any agreements with players' agents concluded in this context. Due to the heterogeneity and complexity of the contract provisions, there is generally the risk that the intangible asset and the related transfer liability are not measured appropriately on initial recognition in the consolidated financial statements.

Furthermore, there is generally the risk of inappropriate subsequent measurement of the intangible assets and transfer liabilities, as well as of the completeness of transfer liabilities that may arise if conditional contractual components or contract modifications materialize.

OUR AUDIT APPROACH

By examining material transfer and agent agreements for new players, we assessed player registrations in terms of how the acquisition costs and related liabilities were determined.

As part of subsequent measurement, we checked material transfer and agent agreements to assess whether conditions had occurred in financial year 2019/2020 triggering subsequent acquisition costs and additional liabilities from transfers and whether these were recognized accordingly in the financial statements.

Furthermore, we examined material contract modifications or contract renewals for subsequent acquisition costs and additional liabilities and whether the adjustments to useful lives were reasonable.

OUR OBSERVATIONS

Transfer and agent agreements were appropriately assessed in terms of measuring player registrations and measuring the completeness of the related transfer liabilities.

Existence and accuracy of transfer receivables as well as proceeds from transfers

We refer to the information in the notes to the consolidated financial statements on accounting policies (section on restatement pursuant to IAS 8.42: impairment of financial assets and recognition of income and expenses), and to the explanatory notes to the consolidated statement of financial position (Section (5) Trade and other financial receivables) and the explanatory notes to the statement of comprehensive income (Section (16) Gain/loss on transfers).

THE CONSOLIDATED FINANCIAL STATEMENT RISK

Transfer receivables of EUR 33.2 million are shown under trade receivables in the consolidated financial statements of Borussia Dortmund. Proceeds from transfers amounted to EUR 116.7 million in financial year 2019/2020.

In financial year 2019/2020, the proceeds from transfers were restated retrospectively. The proceeds from transfers are now stated under gain/loss on transfers, derived from net disposal proceeds less any residual carrying amounts pursuant to IAS 38.

Due to the heterogeneity and complexity of the contract provisions, recognition of proceeds from transfers is complex and there is generally the risk for the consolidated financial statements that in the event of players leaving, receivables from transfers and the related proceeds from transfers are presented at too high an amount or not in the correct period.

OUR AUDIT APPROACH

We assessed whether changing the reporting method for recognizing proceeds from transfers was permissible. We evaluated the effects resulting from the retrospective change to financial reporting on the individual items of the prior year's financial statements as well as the necessary disclosures in the notes to the consolidated financial statements.

With regard to players leaving the professional squad, we substantiated the amount of transfer receivables and proceeds from transfers by examining the material transfer and agent agreements concluded. The accuracy of transfer receivables and proceeds from transfers recognized was assessed by verifying the calculation of receivables based on the contract clauses.

When examining the concluded transfer agreements, we focused mainly on the date of recognition in order to assess whether the receivables and related proceeds from transfers were recognized in the correct period.

OUR OBSERVATIONS

Transfer and agent agreements were appropriately assessed in terms of transfer receivables and proceeds from transfers.

Completeness and accuracy of personnel expenses of the professional squad

We refer to the information in the notes to the consolidated financial statements under explanatory notes to the statement of comprehensive income (Section (19) Personnel expenses).

THE CONSOLIDATED FINANCIAL STATEMENT RISK

Among other expenses, the salaries of the professional squad are disclosed under personnel expenses in the consolidated financial statements of Borussia Dortmund. These include, besides the base salaries, also performance-related remuneration, such as appearance bonuses and annual performance bonuses, as well as individual special payments. Due to individually agreed remuneration components and remuneration amounts, there is generally the risk for the consolidated financial statements that the personnel expenses of the professional squad were not completely reported or not reported at the correct amount.

Other information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the group management report, whose content was not audited:

- the Group's separate non-financial report, which is referred to in the group management report, and
- the corporate governance statement referred to in the group management report.

OUR AUDIT APPROACH

Our audit procedures in particular included an inspection and assessment of the currently valid employment contracts with their remuneration components and amounts as well as individual termination agreements. We checked the consistency of contracts deliberately selected according to certain risk criteria with the corresponding salary calculations. For the selected contracts, we checked to what extent contractually agreed conditions now apply for the variable remuneration components. Furthermore, we examined whether events had occurred that would have resulted in higher expenses. In terms of agreed special or one-off payments, we examined whether personnel expenses were recognized in the proper period regardless of the payment date.

OUR OBSERVATIONS

The individually agreed remuneration components and compensation amounts were appropriately recognized as personnel expenses of the professional squad.

The other information also includes the remaining parts of the annual report made available to us after the date of the independent auditor's report. The other information does not include the consolidated financial statements, the group management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

- is materially inconsistent with the consolidated financial statements, with the group management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

In connection with our audit, our responsibility is to read the aforementioned other information and, in so doing, to consider whether the other information

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

the Group or to cease operations, or there is no realistic alternative but to do so.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 unless there is an intention to liquidate

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation 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 consolidated financial statements and this group management report.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, 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 opinions. 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 consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report 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 these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- 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 Group'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 consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. 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 Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a

substantial unavoidable risk that future events will differ materially from the prospective information.

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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the annual general meeting on November 25, 2019. We were engaged by the supervisory board on February 18, 2020. We have been the group auditor of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien without interruption since financial year 2009/2010.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Ralph Fischer.

Dortmund, 18 August 2020
KPMG AG Wirtschaftsprüfungsgesellschaft



gez. Fischer
Wirtschaftsprüfer
[German Public Auditor]



gez. Huperz
Wirtschaftsprüfer
[German Public Auditor]



RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report of the Group includes a fair review of the

development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Dortmund, 17 August 2020

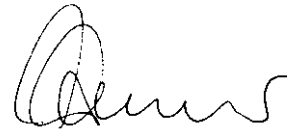
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

FINANCIAL CALENDAR

13 November 2020

Disclosure of the quarterly financial report –
Q1 fiscal year 2020/2021

19 November 2020

Annual shareholders meeting 2020

For more information, go to: <http://aktie.bvb.de/eng>



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