



**QUARTERLY FINANCIAL REPORT**  
Q3 2018/2019



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*Interim Group Management Report for the period from 1 January to 31 March 2019  
of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund  
(in the following: "Borussia Dortmund" or "Group")*

## **BUSINESS DEVELOPMENT**

### **LOOKING BACK ON THE THIRD QUARTER OF FINANCIAL YEAR 2018/2019**

#### **ATHLETIC PERFORMANCE**

##### **BUNDESLIGA**

After match day 27 of the Bundesliga, Borussia Dortmund topped the table with 63 points.

##### **UEFA CHAMPIONS LEAGUE**

Borussia Dortmund was knocked out of the UEFA Champions League in the round of 16 after two losses against Tottenham Hotspur FC (3:0 and 0:1).

##### **DFB CUP**

In the DFB Cup, a 5:7 loss on penalties to SV Werder Bremen in the round of 16 on 5 February 2019 saw Borussia Dortmund eliminated from the competition.

## **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 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.

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 high 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.

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.

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## **DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT**

in the third quarter of financial year 2018/2019

### **SPONSORSHIPS**

For the 2018/2019 season, Borussia Dortmund added Electronic Arts Inc. as a new Champion Partner until 30 June 2022.

Borussia Dortmund has also partnered with the streaming service Perform Investment Limited, known as DAZN, since the beginning of the current season.

After initially joining as a Champion Partner for three years, ROWE MINERALÖLWERK GMBH extended its partnership agreement early until 2021/2022.

Hankook Reifen Deutschland GmbH, one of Borussia Dortmund's longstanding Champion Partners, also extended its agreement by a further season until 30 June 2020.

### **BIG NAMES IN DORTMUND**

Five players from last season's squad have moved to the English Premier League. Sokratis Papastathopoulos transferred to Arsenal FC, Borussia Dortmund and West Ham United agreed on a transfer for Ukraine international Andriy Yarmolenko, and Erik Durm has signed for Huddersfield Town.

Felix Passlack was loaned to Championship club Norwich City F.C. and André Schürrle was loaned to Fulham F.C.

Nuri Sahin transferred to SV Werder Bremen.

Furthermore, Christian Pulisic is leaving Borussia Dortmund for Chelsea FC, who immediately loaned him back to Borussia Dortmund until the end of the 2018/2019 season.

Borussia Dortmund loaned Swedish forward Alexander Isak to Eredivisie club Willem II Tilburg, Shinji Kagawa to Besiktas Istanbul and Jeremy Toljan to Celtic FC until the end of the season.

At the start of the 2018/2019 season, Belgium international Axel Witsel moved to Borussia Dortmund from Chinese club Tianjin Quanjian on a contract that runs until 30 June 2022.

In the summer of 2018, Borussia Dortmund also acquired Spanish centre-forward Paco Alcácer on a one-year loan from FC Barcelona that runs until 30 June 2019. In November 2018, Borussia Dortmund exercised the buy-out clause in the loan agreement to purchase Paco Alcácer for a fixed price. He signed a contract through 30 June 2023.

Lucien Favre's squad was also strengthened by the arrival of Morocco international Achraf Hakimi, who is on loan from Champions League winners Real Madrid until the end of the 2019/2020 season.

Borussia Dortmund signed Argentina U20 international Leonardo Balerdi during the winter transfer window.

After ending his career as a professional footballer, Roman Weidenfeller will continue to support Borussia Dortmund as a brand ambassador.

## **OTHER BUSINESS**

Dr Reinhard Rauball will step down as DFL President in the summer of 2019 after twelve years in office. He stressed that this decision applied only to his duties for DFL Deutsche Fußball Liga GmbH and not his future at Borussia Dortmund.

In late September 2018, the UEFA Executive Committee announced that Germany will host the 2024 European Football Championship. Germany most recently hosted this tournament in 1988. SIGNAL IDUNA PARK will be one of the venues.

DFL Deutsche Fußball Liga GmbH opened a representative office in New York, which will be the point of contact for media and marketing partners in the Americas. The office officially commenced operations in mid-October 2018. In addition to the Singapore office, which opened in 2012, the New York office is now the second international representative office operated by DFL Deutsche Fußball Liga GmbH.

DFL Deutsche Fußball Liga GmbH has decided that technical aids and electronic communications tools will be allowed on the coaches' bench in both the first and second Bundesliga divisions beginning with the 2018/2019 season. These aids and tools can be used for both coaching purposes and for tending to injured players. Handheld mobile devices such as tablets are permitted, as are communications between the technical zone and a member of the coaching staff sitting in the stands, for example.

DFL Deutsche Fußball Liga GmbH also presented additional measures for preventing match fixing. In addition to mandatory training for the professional squads of all clubs, the league will launch a revamped website, a new app and an e-learning tutorial for players in December 2019.

The DFL general meeting of disabled fan representatives was held in November 2018. Borussia Dortmund's representatives were in attendance and discussed various issues ranging from inclusion to diversity management through to accessibility at stadiums.

Borussia Dortmund used the home match against SC Freiburg on 1 December 2018 to highlight its various social projects promoting the inclusion of people with disabilities.

At the beginning of the 2018/2019 season, the Bundesliga introduced an official "Player of the Month" award. The winner is selected by DFL Deutsche Fußball Liga GmbH and EA SPORTS FIFA 19 on the basis of the players' individual performance data and a vote by fans and experts. Marco Reus won the inaugural award in September 2018 and is one of the nominees for December 2018.

Derbystar is returning to the Bundesliga and will once again provide the official match balls beginning with the new season. DFL Deutsche Fußball Liga's partnership with Derbystar will run for four seasons until 2021/2022.

At the initiative of the German Friends of Yad Vashem, Borussia Dortmund donated EUR 1 million to expanding the Yad Vashem Holocaust Remembrance Center in Israel.

## GROUP STRUCTURE AND BUSINESS OPERATIONS

The interim Group management report refers to the consolidated group of Borussia Dortmund GmbH & Co. KGaA.

Sports & Bytes GmbH (transferring entity) merged with Borussia Dortmund GmbH & Co. KGaA (acquiring entity) in accordance with the merger agreement dated 30 August 2018 by way of a group merger with retroactive effect as of 1 July 2018. Therefore, this did not give rise to any effects on the consolidated financial statements.

In addition to its core activities of playing football and marketing SIGNAL IDUNA PARK, Borussia Dortmund has established football-related lines of business.

The list of shareholdings as at 31 March 2019 was as follows:

### Shareholding

	Registered office	Share capital (EUR '000)	Shareholding %	Equity (EUR '000)	Net profit/loss (EUR '000)
		as at 31/03/2019		as at 31/03/2019***	01/07/2018 to 31/03/2019***
<b>Fully consolidated companies:</b>					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	42
besttravel Dortmund GmbH*	Dortmund	50	100.00	772	628
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	1,792
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	2,377
BVB Asia Pacific Pte. Ltd.	Singapore	66	100.00	137	7
<b>Investments accounted for using the equity method:</b>					
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	748	38

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

\*\* Included in the interim consolidated financial statements as at 31 December 2018 as an associate on the basis of the net profit/loss reported as at 31 December 2017.

\*\*\* Determined in accordance with the accounting provisions of German commercial law.



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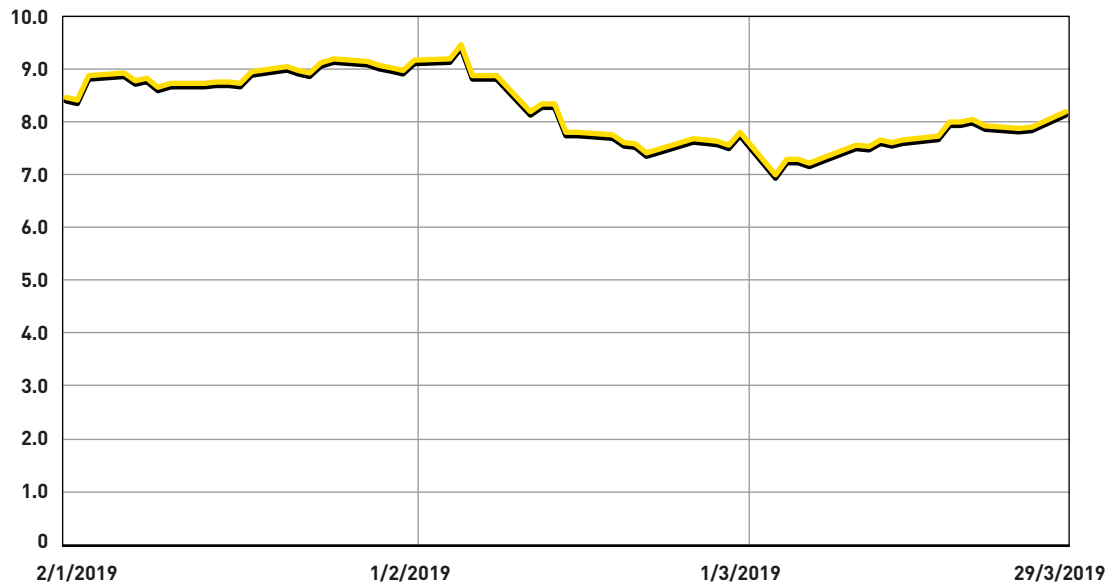
## **THE SHARES OF BORUSSIA DORTMUND GmbH & Co. KGaA**

### **SHARE PRICE PERFORMANCE IN THE THIRD QUARTER OF FINANCIAL YEAR 2018/2019**

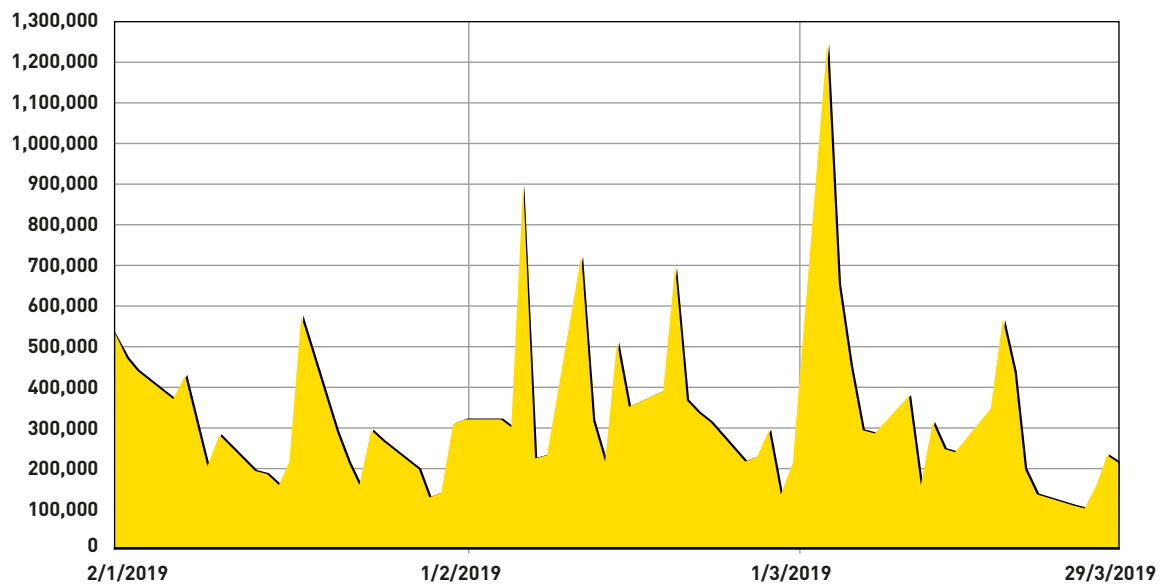
During the reporting period for the third quarter of the 2018/2019 financial year (1 January to 31 March 2019), the performance of BVB shares was influenced by positive sport-related and business announcements by the Company (unless indicated otherwise, the following data is based on the closing price of shares in XETRA trading in shares of Borussia Dortmund GmbH & Co. KGaA; where necessary, figures have been rounded up to the nearest hundredth).

The shares of Borussia Dortmund kicked off the new 2019 calendar year at EUR 8.47 on 2 January 2019. On this date the Company announced that BVB player Christian Pulisic was transferring to Chelsea FC in London, but would remain at Borussia Dortmund on loan until 30 June 2019 (see the ad hoc disclosure from the same date). The capital market's expectations that additional income potential would come with this transfer lifted the share price. Borussia Dortmund GmbH & Co. KGaA shares traded at EUR 8.43 on 3 January 2019, at EUR 8.92 on 7 January 2019 and at EUR 8.96 on 18 January 2019. BVB kicked off the second half of the season with a win against RB Leipzig, which reinforced this trend. Shares traded at EUR 9.05 on 21 January 2019 and EUR 9.19 on 25 January 2019, before reaching their high for the reporting period of EUR 9.46 on 5 February 2019. However, 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 5 February 2019. Shares in Borussia Dortmund then lost considerable ground, trading at EUR 8.88 on the following day, 6 February 2019. Shares traded at EUR 8.35 on 13 February 2019. That evening, Borussia Dortmund suffered a defeat in the UEFA Champions League, losing 3:0 against Tottenham Hotspur FC in the first leg of the round of 16. The share price then dropped again due to the strong likelihood that the club would be eliminated from the competition. Shares traded at EUR 7.81 on the following day (14 February 2019), before dipping to EUR 7.49 on 22 February 2019. On this date the Company published the preliminary semi-annual figures (see ad-hoc disclosure from the same date), announcing that it had generated net profit of EUR 17.3 million for the first half of the year. The market responded positively to the semi-annual figures. On the next trading day, 25 February 2019, shares in Borussia Dortmund GmbH & Co. KGaA were trading at EUR 7.69. The rebound in share price was again interrupted following the team's ultimate elimination from the UEFA Champions League on 5 March 2019. Shares traded at EUR 7.31 on 6 March 2019. The recovery was then boosted by two further victories in the Bundesliga and the continuing prospect that the club could be crowned champions. BVB shares traded at EUR 7.56 on 11 March 2019, EUR 7.66 on 15 March 2019, EUR 8.01 on 19 March 2019, EUR 8.06 on 21 March 2019 and EUR 8.09 on 28 March 2019. The reporting period ended with shares in BVB trading at EUR 8.19 on 29 March 2019 (29 March 2018: EUR 5.12).

### Share price performance (in EUR)



### Revenue (Shares)



## **SHARE CAPITAL AND SHAREHOLDER STRUCTURE**

Borussia Dortmund GmbH & Co. KGaA's share capital amounts to EUR 92,000,000.00 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 31 March 2019:

- Evonik Industries AG: 14.78%
- Bernd Geske: 9.33%
- Ballspielverein Borussia 09 e.V. Dortmund: 5.53%
- SIGNAL IDUNA: 5.43%
- PUMA SE: 5.0%
- Free float: 59.93%

## **SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES**

As at 31 March 2019, 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 8,582,009 no-par value shares. Members of management and the Supervisory Board hold a total of 8,589,054 no-par value shares, which corresponds to more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

## **INVESTOR RELATIONS**

The aim of our Company's Investor Relations organisation is to obtain an appropriate valuation of BVB 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](http://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 2018/2019 is to continue to foster communication with the capital markets. The Company held group and one-on-one conference calls with capital market representatives during the reporting period and roadshows on 12 to 13 March 2019 in New York, USA.

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

- Edison Research Investment Ltd., London, UK  
Most recent research update: 8 March 2019, Recommendation: "n/a"
- Bankhaus Lampe KG, Düsseldorf  
Most recent research update: 25 February 2019, Recommendation: "Buy" (previously: "Buy")
- GSC Research GmbH, Düsseldorf  
Most recent research update: 30 October 2018, Recommendation: "Hold" (previously: "Buy")

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

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

## **POSITION OF THE COMPANY**

### **DEVELOPMENT OF PERFORMANCE INDICATORS**

#### **DEVELOPMENT OF FINANCIAL PERFORMANCE INDICATORS**

During the period from 1 July 2018 to 31 March 2019, 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:

#### **REVENUE**

Revenue amounted to EUR 409,211 thousand in the reporting period.

In the Annual Report as at 30 June 2018, Borussia Dortmund forecast revenue of EUR 425,000 thousand for the full current financial year.

#### **OPERATING RESULT (EBITDA)**

The operating result (EBITDA) amounted to EUR 105,205 thousand in the first three quarters of the current financial year; the forecast for the full 2018/2019 financial year in the Annual Report dated 30 June 2018 had projected EBITDA to exceed the result from operating activities (EBIT) by approximately EUR 75,000 thousand.

#### **RESULT FROM OPERATING ACTIVITIES (EBIT)**

The result from operating activities for the period from 1 July 2018 to 31 March 2019 amounted to EUR 53,207 thousand and the consolidated net profit for the year totalled EUR 46,051 thousand.

The report on expected developments dated 30 June 2018 forecast both net profit and a positive result from operating activities (EBIT) in the low millions for the full 2018/2019 financial year.

In connection with the ad hoc disclosure dated 2 January 2019 announcing the transfer of the player Christian Pulisic to Chelsea FC, the management reported that it would no longer be able to maintain its original profit forecast and instead now expected a profit in the tens of millions.

#### **CASH FLOWS**

Cash flows from operating activities amounted to EUR 89,669 thousand as at 31 March 2019. Borussia Dortmund forecast as at 30 June 2018 that it would generate cash flows from operating activities in excess of EUR 100,000 thousand for the full 2018/2019 financial year.

## FREE CASH FLOW

Free cash flow at the end of the third quarter of the 2018/2019 financial year amounted to EUR -27,043 thousand (previous year: EUR 19,326 thousand).

Due to current developments, in particular the investments in the professional squad made ahead of schedule, the management currently assumes that it will not be possible to generate free cash flow of EUR 15,000 thousand in the 2018/2019 financial year.

Overview of financial performance indicators:

### Borussia Dortmund Group (IFRS)

EUR '000	Q3 2018/2019	Q3 2017/2018
Revenue	153,176	143,456
Operating result (EBITDA)	51,147	44,583
Result from operating activities (EBIT)	32,926	27,326
Net profit/net loss for the year	28,754	22,184
Cash flows from operating activities	31,256	38,328
Free cash flow	9,742	28,221

### Borussia Dortmund Group (IFRS)

EUR '000	Q1-Q3 2018/2019	Q1-Q3 2017/2018
Revenue	409,211	455,288
Operating result (EBITDA)	105,205	128,463
Result from operating activities (EBIT)	53,207	74,991
Net profit/net loss for the year	46,051	61,590
Cash flows from operating activities	89,669	157,071
Free cash flow	-27,043	19,326

## **DEVELOPMENT OF NON-FINANCIAL PERFORMANCE INDICATORS**

The club's success on the pitch is a trending topic on social media and continues to drive the success of Borussia Dortmund's various digital platforms. With almost 15,200,000 followers, Facebook remains by far the club's most important social media platform despite a slight drop in followers as compared with the end of the second quarter. Borussia Dortmund added more than three-quarters of a million new followers on Instagram. With 7,117,152 followers as at 31 March 2019, this marks its highest number since joining the social network and implies growth of more than 8% since the beginning of the year. This trend is also reflected in the club's popularity on YouTube, which is soaring. Elsewhere on social media, the numbers were also positive. Borussia Dortmund added almost 200,000 new followers on SinaWeibo thanks to the club tailoring its content strategy to China. A total of 30,000 new followers had been added as at the end of the second quarter.

Thus, Borussia Dortmund's SinaWeibo's account was one of the five fastest-growing profiles of all European football clubs in China. This quarter, Borussia Dortmund joined the Chinese video platform TikTok, which primarily caters to a teenage audience. Borussia Dortmund's new English-language Twitter channel also set new standards, with two tweets alone reaching more than 13 million people.

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## **RESULTS OF OPERATIONS**

Borussia Dortmund closed out the third quarter of the 2018/2019 financial year with a consolidated net profit of EUR 28,754 thousand, an improvement of EUR 6,570 thousand over the prior-year period.

During the reporting period (1 January to 31 March 2019), Borussia Dortmund generated revenue of EUR 153,176 thousand (previous year: EUR 143,456 thousand) and gross revenue of EUR 153,945 thousand (previous year: EUR 143,686 thousand), a further increase of EUR 10,259 thousand.

The result from operating activities (EBIT) amounted to EUR 32,926 thousand (previous year: EUR 27,326 thousand). The operating result (EBITDA) amounted to EUR 51,147 thousand, up EUR 6,564 thousand on the prior-year figure of EUR 44,583 thousand. Due to the initial application of IFRS 16 Leases in financial year 2018/2019, EBITDA improved by EUR 428 thousand, EBIT by EUR 51 thousand and the consolidated net profit for the year by EUR 16 thousand.

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## REVENUE TREND

Borussia Dortmund increased revenue year on year during the third quarter of the 2018/2019 financial year, generating EUR 153,176 thousand during the first three months of 2019 (previous year: EUR 143,456 thousand). The rise was due mainly to income from TV marketing (EUR 11,499 thousand), primarily from participating in the round of 16 of the UEFA Champions League.

The income from domestic TV marketing likewise increased, rising by 11.31% due to the annual increase in distribution volume under DFL Deutsche Fußball Liga GmbH's centralised marketing strategy.

In addition, this financial year the round of 16 of the DFB Cup was held in the third quarter. In the previous year, the match had taken place in December, meaning that the income was recognised in the second quarter.

Advertising income increased by EUR 603 thousand, merchandising revenue rose by EUR 765 thousand, and conference, catering and miscellaneous income was up EUR 922 thousand in the third quarter of the financial year. By contrast, income from transfer deals decreased by EUR 3,168 thousand and income from match operations declined by EUR 901 thousand year on year.

The 7.02% decrease in revenue from match operations was due mainly to the lower number of home matches. A total of eight home matches were held in the third quarter of the 2017/2018 financial year. This compares with seven held in the current financial year, including the home DFB Cup fixture against SV Werder Bremen.

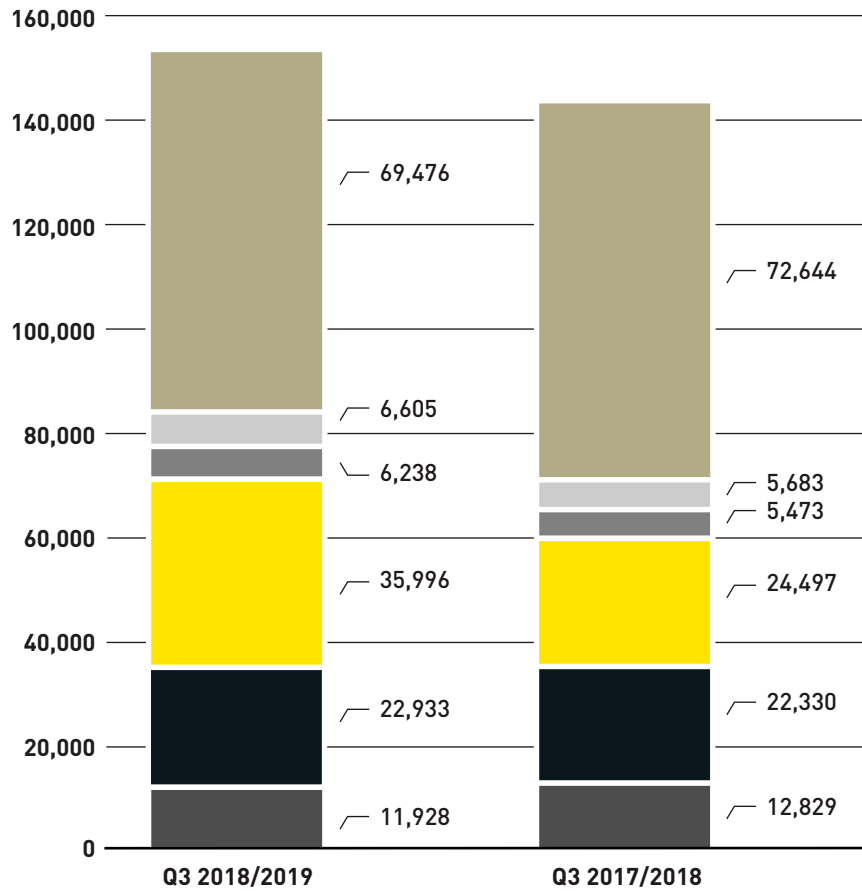
Income from transfer deals amounted to EUR 69,476 thousand and was due to the departure of Christian Pulisic to Chelsea FC as well as compensation stemming from transfer deals in previous financial years. In the previous year, Pierre-Emerick Aubameyang, Marc Bartra and Neven Subotić transferred to other clubs.

Other operating income amounted to EUR 769 thousand (previous year: EUR 230 thousand).

Gross revenue amounted to EUR 153,945 thousand in the period under review (previous year: EUR 143,686 thousand).



**Borussia Dortmund Group – Revenue in EUR '000**



- Transfer deals
- Conference, catering, miscellaneous
- Merchandising
- TV marketing
- Advertising
- Match operations

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## **CHANGES IN SIGNIFICANT OPERATING EXPENSES**

### **COST OF MATERIALS**

Cost of materials increased by EUR 1,218 thousand to EUR 5,455 thousand in the third quarter of financial year 2018/2019. The increase was due mainly to higher merchandising income and a rise in the cost of materials ratio on the back of reductions at the beginning of the year.

Expenses relating to public catering also rose as a result of the increase in revenue.

### **PERSONNEL EXPENSES**

Personnel expenses amounted to EUR 52,054 thousand in the third quarter of financial year 2018/2019, up EUR 7,073 thousand from the previous year. The increase was primarily attributable to personnel expenses for the professional squad.

### **DEPRECIATION, AMORTISATION AND WRITE-DOWNS**

In the period under review, depreciation, amortisation and write-downs increased by EUR 964 thousand to EUR 18,221 thousand as compared to the prior-year quarter. The growth was mainly attributable to investments in the professional squad and to property, plant and equipment relating to SIGNAL IDUNA PARK and the training ground in Brackel.

### **OTHER OPERATING EXPENSES**

During the reporting period, other operating expenses amounted to EUR 45,289 thousand (previous year: EUR 49,885 thousand). The EUR 4,596 thousand decline is due primarily to the year-on-year decrease in expenses resulting from transfer deals and the associated residual carrying amounts, as well as provisions for performance-based remuneration. By contrast, expenses related to match operations increased. These also include maintenance work at SIGNAL IDUNA PARK and the training ground, and football association dues for national TV marketing. Catering expenses for public areas also increased due to higher revenue.

### **FINANCIAL RESULT**

The financial result increased by EUR 1,683 thousand to EUR -36 thousand (previous year: EUR -1,719 thousand).

### **TAX EXPENSE**

The tax expense in the period under review amounted to EUR -4,136 thousand (previous year: EUR -3,423 thousand) and related almost entirely to tax obligations in relation to the quarterly result for the current financial year.

## ANALYSIS OF CAPITAL STRUCTURE

### DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

ASSETS	31/03/2019		30/06/2018	
	EUR '000	in %	EUR '000	in %
<b>Non-current assets</b>				
Intangible assets	179,503	33.9	109,684	22.9
Property, plant and equipment	182,539	34.5	180,693	37.8
Investments accounted for using the equity method	309	0.1	309	0.1
Financial assets	57	0.0	71	0.0
Trade and other financial receivables	9,708	1.8	39,653	8.3
Deferred tax assets	793	0.2	793	0.2
Prepaid expenses	16,568	3.1	10,723	2.2
	<b>389,477</b>	<b>73.6</b>	<b>341,926</b>	<b>71.5</b>
<b>Current assets</b>				
Inventories	4,998	0.9	5,588	1.2
Trade and other financial receivables	67,379	12.7	22,981	4.8
Tax assets	628	0.1	645	0.1
Cash and cash equivalents	24,474	4.6	59,464	12.4
Prepaid expenses	30,628	5.8	16,655	3.5
Assets held for sale	12,000	2.3	31,072	6.5
	<b>140,107</b>	<b>26.4</b>	<b>136,405</b>	<b>28.5</b>
	<b>529,584</b>	<b>100.0</b>	<b>478,331</b>	<b>100.0</b>

Fixed assets increased by a total of EUR 71,651 thousand as follows:

Additions to intangible assets amounted to EUR 113,002 thousand (of which the majority (EUR 112,378 thousand) for player registrations), which was partly offset by disposals of EUR 589 thousand and amortisation and write-downs of EUR 42,594 thousand (of which EUR 42,334 thousand related to player registrations).

Additions to property, plant and equipment amounted to EUR 11,312 thousand. These mainly concerned investments in the stadium and training ground. The initial application of IFRS 16 also impacted this item in the amount of EUR 5,668 thousand. The additions were offset by EUR 62 thousand in disposals and EUR 9,404 thousand in depreciation.

Trade and other financial receivables increased by EUR 14,453 thousand. This primarily resulted from TV marketing due to the club qualifying for the round of 16 of the UEFA Champions League.

At the reporting date, cash and cash equivalents amounted to EUR 24,474 thousand, a decrease of EUR 34,990 thousand year on year. Further details can be found in the consolidated statement of cash flows on page 27.

Prepaid expenses amounted to EUR 47,196 thousand, up EUR 19,818 thousand as compared with 30 June 2018. This is due to agent fees and salary payments recognised during the course of the year, as well as accrued prepayments for marketing activities.

The assets held for sale as at 30 June 2018 decreased by EUR 19,072 thousand on account of transfer deals.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EQUITY AND LIABILITIES	31/03/2019		30/06/2018	
	EUR '000	in %	EUR '000	in %
<b>Equity</b>				
Subscribed capital	92,000	17.4	92,000	19.2
Reserves	284,411	53.7	244,417	51.1
Treasury shares	-113	0.0	-113	0.0
Equity attributable to the owners of the parent company	376,298	71.1	336,304	70.3
<b>Non-current liabilities</b>				
Lease liabilities	8,423	1.6	6,726	1.4
Trade payables	1,500	0.3	9,724	2.0
Other financial liabilities	7,205	1.3	2,550	0.5
Deferred income	1,000	0.2	4,001	0.9
	18,128	3.4	23,001	4.8
<b>Current liabilities</b>				
Provisions	1,639	0.3	1,146	0.2
Lease liabilities	3,317	0.6	1,969	0.4
Trade payables	66,084	12.5	54,597	11.4
Other financial liabilities	33,325	6.3	34,659	7.3
Tax liabilities	4,664	0.9	1,962	0.4
Deferred income	26,129	4.9	24,693	5.2
	135,158	25.5	119,026	24.9
	<b>529,584</b>	<b>100.0</b>	<b>478,331</b>	<b>100.0</b>

The Group's share capital remained level at EUR 92,000 thousand as at 31 March 2019. Equity amounted to EUR 376,298 thousand, corresponding to an equity ratio of 71.1% (as at 30 June 2018: 70.3%). Further details can be found in the statement of changes in equity on page 28.

Borussia Dortmund reported liabilities of EUR 153,286 thousand as at 31 March 2019. These were up EUR 11,259 thousand on the figure reported as at 30 June 2019. The change was as follows:

Provisions rose by EUR 493 thousand to EUR 1,639 thousand as at 31 March 2019. The increase was based on a reassessment of the risks and the accrued interest costs.

Lease liabilities amounted to EUR 11,740 thousand, of which EUR 5,473 thousand was due to the initial application of IFRS 16. Lease liabilities are being repaid according to schedule. Repayments on loan principals amounted to EUR 2,428 thousand in the current financial year.

Trade payables increased by EUR 3,263 thousand to EUR 67,584 thousand, and other financial liabilities rose by EUR 3,321 thousand to EUR 40,530 thousand.

Tax liabilities increased by EUR 2,702 thousand to EUR 4,664 thousand due to tax expenses forecast in relation to the current financial year.

Deferred income amounted to EUR 27,129 thousand, down EUR 1,565 thousand as compared with 30 June 2018.

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## **ANALYSIS OF CAPITAL EXPENDITURE**

In the first nine months of the current financial year, Borussia Dortmund invested EUR 116,779 thousand. Of this amount, EUR 111,225 thousand was invested in intangible assets. Nearly the entirety of this amount was invested in the player base.

During the same period, EUR 5,552 thousand was invested in property, plant and equipment, which related primarily to fixtures and expansion work in and around SIGNAL IDUNA PARK and the training centre in Dortmund-Brackel.

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## **ANALYSIS OF LIQUIDITY**

As at 31 March 2019, Borussia Dortmund held unrestricted cash funds of EUR 24,474 thousand. Borussia Dortmund also had access to an additional EUR 30,000 thousand in overdraft facilities which had not been drawn down as at the end of the reporting period.

Cash flows from financing activities amounted to EUR -7,947 thousand. This primarily consisted of the dividend distribution in November 2018 and the payment of lease liabilities.

Cash flows from operating activities amounted to EUR 89,669 thousand.

## **OPPORTUNITIES AND RISKS**

The entrepreneurial actions of Borussia Dortmund invariably expose it to risks which have the ability to exert a positive or a negative influence on its business activities. The Company's risk management system is designed to identify, assess and manage such risks. This ensures the Company's ability to continue as a going concern and detects any developments jeopardising its existence early on so that appropriate countermeasures can be taken to remedy the situation. Management monitors the risk management system and reports regularly to the Supervisory Board.

For additional details, please refer to the notes on opportunities and risks in the 2017/2018 Annual Report.

There are no risks that jeopardise Borussia Dortmund's ability to continue as a going concern.

## **REPORT ON EXPECTED DEVELOPMENTS**

### **EXPECTED DEVELOPMENT OF THE COMPANY**

At the end of the reporting period, Borussia Dortmund sits in first place in the Bundesliga and is thus competing for a spot to directly qualify for the group stage of the financially lucrative UEFA Champions League, the continent's premier club football competition, in the 2018/2019 season.

### **EXPECTED GENERAL ECONOMIC ENVIRONMENT**

Please see the Group management report dated 30 June 2018 for a summary of the expected general economic environment.

DFL Deutsche Fußball Liga GmbH secured new, record-high revenue streams for the coming years, attributable primarily to TV marketing.

The national TV rights for the 2017/2018 to 2020/2021 cycle were sold for a record EUR 4.64 billion. Together with the international TV rights, the revenue could exceed EUR 6 billion. The price paid for the national TV rights is an 85% increase on the deal.

In light of a new, more attractive distribution model and four direct qualifying spots for the Bundesliga, the UEFA Champions League also promises the potential for significantly higher revenue from the 2018/2019 season onward.

A majority of the advertising revenue in the coming years is already fixed due to the club's long-term partnerships with the primary sponsor, the equipment supplier, the holder of the stadium's naming rights, Champion Partners and other partners. Moreover, there is every indication that the club will again sell out its tickets for the hospitality areas.

Attendance at SIGNAL IDUNA PARK has also continued to improve during the past five seasons and stands at nearly 100%. The number of advance tickets that fans can order has to be partially regimented on account of the high number of season tickets and the steady rise in demand for match tickets.

Commercially successful professional football operations are no longer limited to just regional or national levels. In order to create new business segments, the focus is increasingly shifting to growing brand awareness on a global scale and tapping the corresponding foreign markets. In order to be financially successful on the international stage, Borussia Dortmund's focus rests squarely on the squad's footballing success, including in international competitions. Qualifying for the group stage of the UEFA Champions League alone continues to place Borussia Dortmund in a better financial position.

Generally, Borussia Dortmund only plans on transfer income to a limited extent; however, given the club's sustained success, its players are piquing the interest of other top clubs. Based on the current financial strength of foreign clubs in particular, it is possible that value-driven transfers will be concluded contrary to the Company's sporting interests.

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## **OVERALL ASSESSMENT OF EXPECTED PERFORMANCE**

Based on the conditions described in the Annual Report dated 30 June 2018, the increasing appeal of the Borussia Dortmund brand and the steady growth in the market value of the professional squad, the club continues to expect that its economic performance will remain positive in the coming years.

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## **DISCLAIMER**

This consolidated quarterly financial 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.



## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EUR '000	31/03/2019	30/06/2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	179,503	109,684
Property, plant and equipment	182,539	180,693
Investments accounted for using the equity method	309	309
Financial assets	57	71
Trade and other financial receivables	9,708	39,653
Deferred tax assets	793	793
Prepaid expenses	16,568	10,723
	<b>389,477</b>	<b>341,926</b>
<b>Current assets</b>		
Inventories	4,998	5,588
Trade and other financial receivables	67,379	22,981
Tax assets	628	645
Cash and cash equivalents	24,474	59,464
Prepaid expenses	30,628	16,655
Assets held for sale	12,000	31,072
	<b>140,107</b>	<b>136,405</b>
	<b>529,584</b>	<b>478,331</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Subscribed capital	92,000	92,000
Reserves	284,411	244,417
Treasury shares	-113	-113
Equity attributable to the owners of the parent company	<b>376,298</b>	<b>336,304</b>
<b>Non-current liabilities</b>		
Lease liabilities	8,423	6,726
Trade payables	1,500	9,724
Other financial liabilities	7,205	2,550
Deferred income	1,000	4,001
	<b>18,128</b>	<b>23,001</b>
<b>Current liabilities</b>		
Provisions	1,639	1,146
Lease liabilities	3,317	1,969
Trade payables	66,084	54,597
Other financial liabilities	33,325	34,659
Tax liabilities	4,664	1,962
Deferred income	26,129	24,693
	<b>135,158</b>	<b>119,026</b>
	<b>529,584</b>	<b>478,331</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

EUR '000	Q1 - Q3 2018/2019	Q1 - Q3 2017/2018	Q3 2018/2019	Q3 2017/2018
Revenue	409,211	455,288	153,176	143,456
Other operating income	4,929	3,022	769	230
Cost of materials	-16,990	-16,478	-5,455	-4,237
Personnel expenses	-153,340	-139,267	-52,054	-44,981
Depreciation, amortisation and write-downs	-51,998	-53,472	-18,221	-17,257
Other operating expenses	-138,605	-174,102	-45,289	-49,885
<b>Result from operating activities</b>	<b>53,207</b>	<b>74,991</b>	<b>32,926</b>	<b>27,326</b>
Finance income	396	412	141	156
Finance costs	-1,464	-4,737	-177	-1,875
<b>Financial result</b>	<b>-1,068</b>	<b>-4,325</b>	<b>-36</b>	<b>-1,719</b>
<b>Profit before income taxes</b>	<b>52,139</b>	<b>70,666</b>	<b>32,890</b>	<b>25,607</b>
Income taxes	-6,088	-9,076	-4,136	-3,423
<b>Consolidated net profit/loss for the year</b>	<b>46,051</b>	<b>61,590</b>	<b>28,754</b>	<b>22,184</b>
Items that may not be reclassified to profit or loss				
Initial application of IFRSs	-538	0	0	0
Items that were subsequently reclassified to profit or loss				
Cash flow hedge				
- effective portion of the change in fair value	0	-31	0	0
- reclassification to profit or loss	0	1,090	0	0
<b>Other gains/losses incurred during the period, after taxes</b>	<b>-538</b>	<b>1,059</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>	<b>45,513</b>	<b>62,649</b>	<b>28,754</b>	<b>22,184</b>
<b>Consolidated net profit/loss for the year attributable to:</b>				
- Owners of the parent:	46,051	61,590	28,754	22,184
- Minority interests:	0	0	0	0
<b>Total comprehensive income attributable to:</b>				
- Owners of the parent:	45,513	62,649	28,754	22,184
- Minority interests:	0	0	0	0
<b>Earnings per share (EUR) (basic/diluted)</b>	<b>0.50</b>	<b>0.67</b>	<b>0.31</b>	<b>0.24</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

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

EUR '000	Q1 - Q3 2018/2019	Q1 - Q3 2017/2018
<b>Profit before income taxes</b>	52,139	70,666
Depreciation, amortisation and write-downs of non-current assets	51,998	53,472
Loss on disposals of non-current assets	11	101*
Other non-cash income	15,886	35,641*
Interest income	-396	-412
Interest expense	1,464	4,737
Changes in other assets not classified as from investing or financing activities	-35,906	-9,985*
Changes in other liabilities not classified as from investing or financing activities	6,448	6,664
Interest received	3	7
Interest paid	-834	-2,444
Income taxes paid	-1,144	-1,376
<b>Cash flows from operating activities</b>	<b>89,669</b>	<b>157,071</b>
Payments for investments in intangible assets	-111,225	-133,562
Proceeds from disposals of intangible assets	0	0*
Payments for investments in property, plant and equipment	-5,552	-4,257
Proceeds from disposals of property plant and equipment	51	48
Proceeds from financial assets	16	26
Payments for investments in financial assets	-2	0
<b>Cash flows from investing activities</b>	<b>-116,712</b>	<b>-137,745</b>
Payment for settlement of derivatives	0	-1,654
Dividend payments	-5,519	-5,519
Repayment of liabilities under finance leases	-2,428	-9,819
<b>Cash flows from financing activities</b>	<b>-7,947</b>	<b>-16,992</b>
Change in cash and cash equivalents	-34,990	2,334
Cash and cash equivalents at the beginning of the period	59,464	49,297
<b>Cash and cash equivalents at the end of the period</b>	<b>24,474</b>	<b>51,631</b>

\* Change in prior-year items: see also "Changes to the consolidated statement of cash flows" 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				Equity attributable to the owners of the parent company			
	Subscribed capital	Capital reserves	Other revenue reserves	Cash flow hedge	Treasury shares	Minority interests	Consolidated equity	
<b>1 July 2017</b>	92,000	142,843	78,628	-1,056	-113	312,302	0	312,302
Distributions to shareholders	0	0	-5,519	0	0	-5,519	0	-5,519
Acquisition of non-controlling interests without change of control	0	0	0	0	0	0	0	0
Sale of treasury shares	0	0	0	0	0	0	0	0
Transactions with shareholders	0	0	-5,519	0	0	-5,519	0	-5,519
Consolidated net profit for the year	0	0	61,590	0	0	61,590	0	61,590
Other gains/losses incurred during the period, after taxes	0	0	0	1,059	0	1,059	0	1,059
Total comprehensive income	0	0	61,590	1,059	0	62,649	0	62,649
Other reclassifications	0	0	3	-3	0	0	0	0
<b>31 March 2018</b>	<b>92,000</b>	<b>142,843</b>	<b>134,699</b>	<b>3</b>	<b>-113</b>	<b>369,432</b>	<b>0</b>	<b>369,432</b>
<b>01 July 2018</b>	92,000	142,843	101,574	0	-113	336,304	0	336,304
Adjustment due to initial application of IFRS 9, after taxes	0	0	-538	0	0	-538	0	-538
Distributions to shareholders	0	0	-5,519	0	0	-5,519	0	-5,519
Acquisition of non-controlling interests without change of control	0	0	0	0	0	0	0	0
Sale of treasury shares	0	0	0	0	0	0	0	0
Transactions with shareholders	0	0	-5,519	0	0	-5,519	0	-5,519
Consolidated net profit for the year	0	0	46,051	0	0	46,051	0	46,051
Other gains/losses incurred during the period, after taxes	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	45,513	0	0	45,513	0	45,513
<b>31 March 2019</b>	<b>92,000</b>	<b>142,843</b>	<b>141,568</b>	<b>0</b>	<b>-113</b>	<b>376,298</b>	<b>0</b>	<b>376,298</b>

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**NOTES** to the consolidated financial statements for the third quarter of financial year 2018/2019  
of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

## **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 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 interim 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.

## **CHANGES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**

In the annual and consolidated financial statements for the 2017/2018 financial year, Borussia Dortmund changed how it classifies proceeds from transfers in the statement of cash flows. It now reports these under cash flows from operating activities. In previous years and in the quarterly and half-yearly financial reports for the 2017/2018 financial year, proceeds from transfers were still reported under cash flows from investing activities.

Therefore, Borussia Dortmund has adjusted the prior-year figures as at 31 March 2018 as follows: EUR 208,505 thousand (proceeds from disposals of intangible assets) was reclassified out of cash flows from investing activities to cash flows from operating activities. The cash flows from operating activities were adjusted accordingly: the gain/loss on disposals of non-current assets by EUR 169,454 thousand, other non-cash income by EUR 39,429 thousand, and changes in other assets not classified as from investing or financing activities by EUR 378 thousand.

## **ACCOUNTING POLICIES**

These condensed interim consolidated financial statements for the period from 1 July 2018 to 31 March 2019, including the prior-year information, were prepared in accordance with International Financial Reporting Standards (IFRSs) relating to interim reporting, as adopted in the European Union, and the supplementary provisions of German commercial law required to be observed in accordance with § 315e (1) HGB.

The same accounting policies are applied in the interim consolidated financial statements as in the consolidated financial statements as at 30 June 2018.

More detailed information on the accounting policies applied can be found in the notes to the consolidated financial statements as at 30 June 2018.

All interpretations of the International Financial Reporting Interpretation Committee (IFRIC) which were binding as at 31 March 2019 have been applied.

Borussia Dortmund transitioned to accounting in accordance with IFRS 9 from 1 July 2018. The effects are disclosed on pages 34 and 35.

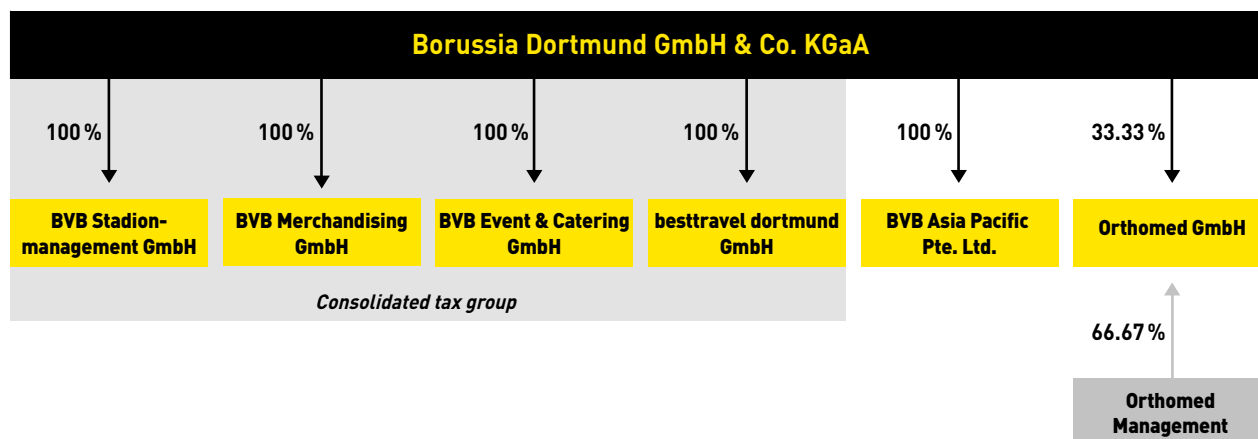
As disclosed in the consolidated financial statements as at 30 June 2018, the initial application of IFRS 15 as at 30 June 2018 did not lead to any changes from the previous practice under IAS 18.

Borussia Dortmund began applying lease accounting in accordance with IFRS 16 early from 1 July 2018. The effects of the early application are disclosed on pages 35 to 37.

## SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

Sports & Bytes GmbH (transferring entity) merged with Borussia Dortmund GmbH & Co. KGaA (acquiring entity) in accordance with the merger agreement dated 30 August 2018 by way of a group merger with retroactive effect as of 1 July 2018. Therefore, this did not give rise to any effects on the consolidated financial statements.

The new Group structure is as follows:



## TRADE AND OTHER FINANCIAL RECEIVABLES

Trade and other financial receivables increased by EUR 14,453 thousand to EUR 77,087 thousand, primarily due to TV marketing receivables.

## PREPAID EXPENSES

Prepaid expenses amounted to EUR 47,196 thousand, up EUR 19,818 thousand as compared with 30 June 2018. This is due to agent fees and salary payments recognised during the course of the year, as well as accrued prepayments for marketing activities.

## CONSOLIDATED EQUITY

Subscribed capital as at 31 March 2019 was EUR 92,000 thousand and is divided into the same number of no-par value shares, each representing a notional share in the share capital of EUR 1.00. Reserves amounted to EUR 284,411 thousand (previous year: EUR 244,417 thousand).

Changes in equity are presented in the consolidated statement of changes in equity.

## REVENUE

As at 31 March 2019, revenue in accordance with IFRS 15 was as follows:

EUR '000	Q3 2018/2019	Q3 2017/2018
Match operations	11,928	12,829
Advertising	22,933	22,330
TV marketing	35,996	24,497
Transfer deals	69,476	72,644
Merchandising	6,238	5,473
Conference, catering, miscellaneous	6,605	5,683
	<b>153,176</b>	<b>143,456</b>

EUR '000	Q1-Q3 2018/2019	Q1-Q3 2017/2018
Match operations	39,274	36,585
Advertising	69,451	67,586
TV marketing	141,522	98,666
Transfer deals	111,890	208,883
Merchandising	24,428	24,889
Conference, catering, miscellaneous	22,646	18,679
	<b>409,211</b>	<b>455,288</b>

Revenue from match operations, advertising, TV marketing and transfer deals is reported under the reportable segment Borussia Dortmund GmbH & Co. KGaA.

Merchandising revenue is attributed exclusively to the reportable segment BVB Merchandising GmbH. Conference, catering and miscellaneous income is generated by all reportable segments.

## 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").

EUR '000	Borussia Dortmund KGaA		BVB Merchandising GmbH		BVB Event & Catering GmbH		besttravel dortmund GmbH		Total	
	Q1-Q3 2018/2019	Q1-Q3 2017/2018	Q1-Q3 2018/2019	Q1-Q3 2017/2018	Q1-Q3 2018/2019	Q1-Q3 2017/2018	Q1-Q3 2018/2019	Q1-Q3 2017/2018	Q1-Q3 2018/2019	Q1-Q3 2017/2018
External revenue	373,151	419,885	24,428	24,889	10,984	8,953	641	867	409,204	454,594
Internal revenue	1,100	1,108	824	745	5,056	4,460	548	414	7,528	6,727
Segment profit before income taxes*)	42,071	64,897	1,792	1,471	2,377	1,734	628	732	46,868	68,834
Segment assets	539,157	541,998	15,699	18,928	5,713	4,536	2,876	2,133	563,445	567,595
Segment liabilities	134,417	139,498	4,818	8,047	5,688	4,511	2,104	1,257	147,027	153,313

\*) before profit or loss transfer

Reconciliation of disclosures on reportable segments to consolidated figures		
EUR '000	Q1-Q3 2018/2019	Q1-Q3 2017/2018
Earnings before taxes – reportable segments	46,868	68,834
Earnings before taxes – other segments	49	-40
Change in Group earnings	5,222	1,872
Consolidated net profit before taxes	52,139	70,666



The changes in the Group's earnings as reported in the reconciliation were due primarily to adjustments made when translating HGB accounting to IFRS accounting as well as the elimination of transactions between Group entities.

Income from centralised national marketing amounting to EUR 74,803 thousand (previous year: EUR 68,697 thousand) exceeds the 10% threshold stipulated in IFRS 8.34 for one customer, as did income from international marketing amounting to EUR 67,915 thousand. The reason for this was the centralised marketing strategy used by DFL Deutsche Fußball Liga GmbH and UEFA.

### **STATEMENT OF CASH FLOWS**

The Group's statement of cash flows was prepared in accordance with IAS 7 (Statement of Cash Flows). Cash and cash equivalents reported in the statement of financial position amounted to EUR 24,474 thousand. The balance as at 30 June 2018 had totalled EUR 59,464 thousand.

### **MATERIAL INVESTMENTS**

In the first nine months of the current financial year, Borussia Dortmund invested EUR 116,779 thousand. Of this amount, EUR 111,225 thousand was invested in intangible assets. Nearly the entirety of this amount was invested in the player base.

During the same period, EUR 5,552 thousand was invested in property, plant and equipment, which related primarily to fixtures and expansion work in and around SIGNAL IDUNA PARK and the training centre in Dortmund-Brackel.

### **EFFECTS OF IFRS 9 FINANCIAL INSTRUMENTS**

On 1 July 2018, Borussia Dortmund retrospectively applied the new IFRS 9 Financial Instruments for the first time. Borussia Dortmund selected the cumulative effect method for the transition. The effect of the transition is therefore recognised in other comprehensive income. In line with the transition method Borussia Dortmund selected to apply this standard, Borussia Dortmund did not restate the comparative figures in these financial statements. IFRS 9 governs the requirements for the recognition and measurement of financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement.

The effects from Borussia Dortmund's initial application of IFRS 9 are primarily limited to the introduction of new guidance for classifying and measuring financial instruments. As a result of the transition to IFRS 9, trade receivables decreased by EUR 801 thousand and reserves declined by EUR 538 thousand (taking into account deferred taxes) in the opening statement of financial position as at 1 July 2018.

### **Classification and measurement of financial assets and financial liabilities in accordance with IFRS 9**

Under IFRS 9, financial assets are classified into one of three categories: "at amortised cost"; "at fair value through other comprehensive income (FVOCI)"; and "at fair value through profit or loss (FVTPL)".

IFRS 9 carries over the existing requirements under IAS 39 for classifying financial liabilities. The initial application of IFRS 9 did not have any effect on the subsequent measurement of financial liabilities.

The table below presents the original measurement category in accordance with IAS 39 and the new measurement category in accordance with IFRS 9 as at 1 July 2018 for each class of financial assets and financial liabilities recognised by Borussia Dortmund:

EUR '000	Original measurement category in accordance with IAS 39	Measurement category in accordance with IFRS 9	Carrying amount reported in statement of financial position in accordance with IAS 39	Carrying amount reported in statement of financial position in accordance with IFRS 9
<b>Non-current and current financial assets</b>				
Financial assets	LaR	At amortised cost	71	71
Trade receivables				
not intended for factoring	LaR	At amortised cost	28,658	28,647
intended for factoring	LaR	FVTPL	31,456	30,666
Other financial receivables	LaR	At amortised cost	2,520	2,520
Cash	LaR	At amortised cost	59,464	59,464
<b>Non-current and current financial liabilities</b>				
Trade payables	FLAC	At amortised cost	64,321	64,321
Other financial liabilities	FLAC	At amortised cost	37,209	37,209

#### **Abbreviations (IAS 39)**

Loans and Receivables (LaR)

Financial Liabilities measured at Amortised Cost (FLAC)

IFRS 9 introduces a new model for determining loss allowances for expected credit losses. Borussia Dortmund applies the practical expedients under IFRS 9 to recognise the loss allowances on trade receivables. Due to the first-time application of IFRS 9 as at 1 July 2018, loss allowances on trade receivables increased by EUR 11 thousand from EUR 0 thousand as at 30 June 2018 to EUR 11 thousand; this is reflected in the overall effect described above.

### Disclosures on carrying amounts and fair values of financial instruments

The table below presents the financial assets and liabilities and their carrying amounts as at 31 March 2019 for each measurement category in accordance with IFRS 9 and their carrying amounts as presented in the statement of financial position.

EUR '000	Measurement category in accordance with IFRS 9	Carrying amount reported in statement of financial position in accordance with IFRS 9		Carrying amount reported in statement of financial position as at 31/03/2019
		At amortised cost	Fair value	
<b>Non-current and current financial assets</b>				
Financial assets	At amortised cost	57		57
Trade receivables				
– not intended for factoring	At amortised cost	69,260	0	69,260
– intended for factoring	FVTPL	0	4,464	4,464
Other financial receivables	At amortised cost	3,363	0	3,363
Cash	At amortised cost	24,474	0	24,474
<b>Non-current and current financial liabilities</b>				
Trade payables	At amortised cost	67,584	0	67,584
Other financial liabilities	At amortised cost	40,530	0	40,530

### Effects of IFRS 16 Leases

Borussia Dortmund began applying the accounting requirements of IFRS 16 early on 1 July 2018. 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).

Borussia Dortmund applies the modified retrospective method. Consequently, the comparative figures from the prior-year periods have not been restated. Borussia Dortmund is making use of the practical expedients as part of its initial application of IFRS 16: it applies an average discount rate to leases with similar characteristics and does not apply the requirements of the standard to leases for which the lease term ends within 12 months of the date of initial application.

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.

As part of the transition to IFRS 16, assets amounting to EUR 4,802 thousand were reclassified to other equipment, operating and office equipment. The additional lease liabilities were recognised in the same amount. Consequently, the transition to the new standard had no effect on equity.

Operating lease obligations as at 30 June 2018 were reconciled as follows to lease liabilities in the opening balance sheet as at 1 July 2018:

EUR '000	
Operating lease obligations as at 30 June 2018	5,986
Minimum lease payments (nominal amount) on liabilities from finance leases as at 30 June 2018	10,171
Relief option for short-term leases (under 12 months)	-229
Relief option for leases of low-value assets	-13
Lease-type obligations/Other	-548
<b>Nominal lease liabilities as at 1 July 2018</b>	<b>15,367</b>
Discounting after recognition under IFRS 16	-394
Discounting of existing leases under IAS 17	-1,476
<b>Lease liabilities as at 1 July 2018</b>	<b>13,497</b>
Present value of liabilities from finance leases as at 30 June 2018	-8,695
<b>Additional lease liabilities due to initial application of IFRS 16 as at 1 July 2018</b>	<b>4,802</b>

The lease liabilities were discounted using the incremental borrowing rate as at 1 July 2018. The weighted average discount rate was 3%.

As at 31 March 2019, the following right-of-use assets related to the corresponding items in the statement of financial position:

EUR '000	Net carrying amounts 31/03/19
Buildings	6,853
Operating and office equipment	2,580
	<b>9,433</b>

Right-of-use assets were previously accounted for as part of finance leases in accordance with IAS 17 until 30 June 2018.

The corresponding liabilities to the lessor are reported as current and non-current lease liabilities, minus payments already made.

During the reporting period, the right-of-use assets were depreciated in the amount of EUR 2,263 thousand. These expenses are reported under depreciation, amortisation and write-downs.

The interest expense for lease liabilities amounted to EUR 463 thousand and are reported under finance costs in the consolidated statement of comprehensive income.

The payment obligations under leases are due for payment as follows:

EUR '000	31/03/2019
Less than 1 year	3,823
Between 1 and 5 years	8,766
More than 5 years	571
	13,160
Future finance charges from lease liabilities	-1,420
<b>Present value of lease liabilities</b>	<b>11,740</b>

#### **Lease liabilities**

EUR '000	31/03/2019
Less than 1 year	3,317
Between 1 and 5 years	7,862
More than 5 years	561
	11,740

## **DERIVATIVE FINANCIAL INSTRUMENTS**

In order to limit currency risks, BVB Merchandising GmbH's pending foreign-currency cash flows from operating activities were hedged as at 30 June 2018. The hedges terminated during the reporting period.

Currency forwards were used to hedge the purchase of materials in foreign currencies. During the reporting period, the hedges related exclusively to US dollars. The value of currency forwards is determined by discounting the future value to the valuation date using the yield curve (net present value method). The valuation is substantiated by bank calculations. In accordance with IFRS 13.72 *et seq.*, currency forwards are classified in Level 2 of the fair value hierarchy since the input parameters used for measurement (yield curves as well as forward rates in US dollars) are observable on the market. The Group does not make its own estimates or assumptions for fair value measurement.

Hedge accounting within the meaning of IAS 39 is not applied to economic hedges for future purchase transactions, meaning that fair value changes in the derivatives are recognised in profit or loss.

The fair value as at 30 June 2018 amounting to EUR 33 thousand (previous year: EUR 90 thousand) was recognised under other financial liabilities. The currency forwards were utilised in full (EUR 33 thousand) during the first half of the year.

The carrying amounts of financial assets and liabilities to which IFRS 7 applies are generally identical to their fair values. The only deviations related to non-current liabilities from leases whose carrying amount was EUR 8,423 thousand (30 June 2018: EUR 6,726 thousand) as compared to their fair value of EUR 9,024 thousand (30 June 2018: EUR 7,478 thousand).

## **DIVIDEND**

On 26 November 2018, the Annual General Meeting of the Company resolved the following: The net retained profits of EUR 26,404,743.83 reported in the Company's annual financial statements for the 2017/2018 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 20,885,877.83 was transferred to other revenue reserves.

The dividend was paid from 29 November 2018.

## OTHER FINANCIAL OBLIGATIONS

The following financial obligations were reported as at 31 March 2019:

31/03/2019 (EUR '000)	Total	Due after		
		less than 1 year	1-5 years	more than 5 years
Rental and lease payments (operating leases)	984	462	393	129
Marketing fees	57,336	21,416	22,860	13,060
Other obligations	3,833	800	1,938	1,095
	<b>62,153</b>	<b>22,678</b>	<b>25,191</b>	<b>14,284</b>
Purchase commitments	23,000	11,500	11,500	0

In financial year 2018/2019, EUR 851 thousand in rental and lease payments (operating leases) were expensed for leases within the meaning of IFRS 16.6 as at 31 March 2019.

30/06/2018 (EUR '000)	Total	Due after		
		less than 1 year	1-5 years	more than 5 years
Rental and lease payments (operating leases)	5,986	1,542	3,331	1,113
Marketing fees	130,773	22,657	66,301	41,815
Other obligations	1,754	836	769	149
	<b>138,513</b>	<b>25,035</b>	<b>70,401</b>	<b>43,077</b>
Purchase commitments	64,650	37,450	27,200	0

In financial year 2017/2018, EUR 2,003 thousand in rental and lease payments (operating leases) were expensed in accordance with IAS 17.35 (c).

The minimum lease payments from operating leases 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 31,417 thousand in variable payment obligations under existing agreements with conditions precedent were reported as at 31 March 2019, of which EUR 16,088 thousand were due in less than one year.

## EMPLOYEES

Average number of salaried employees	Q1-Q3	Q1-Q3
	2018/2019	2017/2018
<b>Total</b>	<b>829</b>	<b>808</b>
of which in the Athletics Department	269	257
of which trainees	16	18
Other	544	533

## SUPERVISORY BOARD

The following table provides an overview of the composition of the Supervisory Board as at 31 March 2019:

### Supervisory Board of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

Gerd Pieper	Peer Steinbrück	Bernd Geske	Christian Kullmann	Dr. Werner Müller	Ulrich Leitermann	Bjørn Gulden	Dr. Reinhold Lunow	Silke Seidel
Chairman				Deputy Chairman				

### Occupations (as at 31 March 2019)

Retired; former Managing Director of Stadt-Parfümerie Pieper GmbH, Herne	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Managing partner of Bernd Geske Lean Communication, Meerbusch	Chairman of the Executive Board of Evonik Industries AG, Essen	German Finance Minister (ret.)	Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group, Dortmund (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
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### Other functions on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 31 March 2019)

Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund	Chairman of the Supervisory Board of Clear-VAT Aktiengesellschaft, Berlin	Member of the Supervisory Board of Contilia GmbH, Essen	Member of the Board of Directors of Stadler Rail AG, Bussnang, Switzerland	Member and Chairman of the Supervisory Board of Dortmundener Volksbank eG, Dortmund	Member and Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning	Member of the Supervisory Board of Salling Group A/S, Brabrand, Denmark	Member of the Supervisory Board of Tchibo GmbH, Hamburg	Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund
						Member of the Supervisory Board of Pandora A/S, Copenhagen, Denmark (until 13 March 2019)		



## **EVENTS AFTER THE END OF THE REPORTING PERIOD**

### **ATHLETIC DEVELOPMENT**

Before the final match day of the 2018/2019 season, Borussia Dortmund is in second place and is thus set to qualify directly for the group stage of the UEFA Champions League in the 2019/2020 season.

### **OTHER BUSINESS**

On 23 April 2019, DFL Deutsche Fußball Bundesliga GmbH notified Borussia Dortmund that it had fulfilled the criteria necessary to obtain a license to compete in first division play in the 2019/2020 Bundesliga season.

Following the departure of DFB President Reinhard Grindel, vice presidents Dr Reinhard Rauball and Dr Rainer Koch will head the association on an interim basis until September 2019.

Dortmund, 15 May 2019

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

## RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles for half-yearly financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim 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 material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Dortmund, 15 May 2019

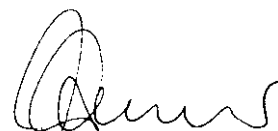
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien  
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke  
Managing Director (Chairman)



Thomas Treß  
Managing Director



Carsten Cramer  
Managing Director

## Financial calendar

**4/6/2019**

Edison Roadshow, Zurich (CH) Company presentation

**17/6/2019**

ODDO SEYDLER Roadshow, Frankfurt Company presentation

**18/6/2019**

Edison Roadshow, London (UK) Company presentation

**25 November 2019**

2019 Annual General Meeting

*For more information visit our website <http://aktie.bvb.de/eng>*

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