

ANNUAL REPORT
2018/2019



OVERVIEW OF FINANCIAL PERFORMANCE INDICATORS

Borussia Dortmund KGaA (HGB)

EUR '000	2018/2019	2017/2018
Sales	446,030	494,972
Operating result (EBITDA)	114,991	118,726
Result from operating activities (EBIT)	24,353	30,301
Net income for the year	25,844	26,405
Cash flows from operating activities	143,692	156,861
Free cash flow	4,737	18,391

Borussia Dortmund Group (IFRS)

EUR '000	2018/2019	2017/2018*
Revenue	489,524	536,043
Operating result (EBITDA)	115,983	137,306
Result from operating activities (EBIT)	23,501	38,974
Net profit/net loss for the year	17,391	31,705
Cash flows from operating activities	144,525	170,361
Free cash flow	5,201	27,635

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.





3	OVERVIEW OF FINANCIAL PERFORMANCE INDICATORS
6	INTRODUCTORY REMARKS
8	REPORT OF THE SUPERVISORY BOARD
12	EXECUTIVE BODIES AND CORPORATE STRUCTURE
14	THE SHARES*
14	SHARE PRICE PERFORMANCE
19	SHARE CAPITAL AND SHAREHOLDER STRUCTURE
	SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES
	INVESTOR RELATIONS
21	CORPORATE GOVERNANCE DECLARATION
22	CORPORATE GOVERNANCE REPORT
30	MANAGEMENT REPORT
32	BUSINESS TREND
	LOOKING BACK ON FINANCIAL YEAR 2018/2019
33	PERFORMANCE INDICATORS
35	DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT IN THE 2018/2019 FINANCIAL YEAR
37	GENERAL INFORMATION ABOUT THE COMPANY
	GROUP STRUCTURE AND BUSINESS OPERATIONS
38	ORGANISATION OF MANAGEMENT AND CONTROL
41	INTERNAL MANAGEMENT AND CONTROL SYSTEM
42	CORPORATE STRATEGY
44	POSITION OF THE COMPANY
	DEVELOPMENT OF PERFORMANCE INDICATORS
46	RESULTS OF OPERATIONS
47	SALES TREND
50	DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES
52	ANALYSIS OF CAPITAL STRUCTURE
54	ANALYSIS OF CAPITAL EXPENDITURE
	ANALYSIS OF LIQUIDITY
55	NET ASSETS
56	OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT
56	REMUNERATION REPORT
57	THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE ACCOUNTING PROCESS
58	OPPORTUNITY AND RISK REPORT
	RISK MANAGEMENT
64	OPPORTUNITIES
65	OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES
66	REPORT ON EXPECTED DEVELOPMENTS
	EXPECTED EARNINGS TREND
	EXPECTED GENERAL ECONOMIC ENVIRONMENT
68	EXPECTED RESULTS OF OPERATIONS
69	EXPECTED DIVIDEND
	EXPECTED FINANCIAL POSITION
70	OVERALL ASSESSMENT OF EXPECTED PERFORMANCE
70	OTHER DISCLOSURES
73	DISCLAIMER
74	ANNUAL FINANCIAL STATEMENTS
76	BALANCE SHEET
78	INCOME STATEMENT
79	NOTES
	GENERAL DISCLOSURES TO THE ANNUAL FINANCIAL STATEMENTS
80	ACCOUNTING POLICIES
82	NOTES TO THE BALANCE SHEET
84	FIXED ASSETS
91	NOTES TO THE INCOME STATEMENT
94	OTHER DISCLOSURES
100	INDEPENDENT AUDITOR'S REPORT

* The section entitled 'The Shares' is identical for both the management report and Group management report of Borussia Dortmund GmbH & Co. KGaA., and has therefore been moved towards the front of the Annual Report for the 2018/2019 financial year.

108	GROUP MANAGEMENT REPORT
110	BUSINESS TREND
	LOOKING BACK ON FINANCIAL YEAR 2018/2019
110	PERFORMANCE INDICATORS
112	DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT IN THE 2018/2019 FINANCIAL YEAR
115	GENERAL INFORMATION ABOUT THE COMPANY
	GROUP STRUCTURE AND BUSINESS OPERATIONS
116	ORGANISATION OF MANAGEMENT AND CONTROL
119	INTERNAL MANAGEMENT AND CONTROL SYSTEM
120	CORPORATE STRATEGY
121	SEPARATE NON-FINANCIAL GROUP REPORT
122	POSITION OF THE COMPANY
	DEVELOPMENT OF PERFORMANCE INDICATORS
124	RESULTS OF OPERATIONS
125	REVENUE TREND
130	DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES
132	ANALYSIS OF CAPITAL STRUCTURE
	DEVELOPMENT AND PERFORMANCE OF THE BUSINESS
134	ANALYSIS OF CAPITAL EXPENDITURE
135	ANALYSIS OF LIQUIDITY
	NET ASSETS
	OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT
136	REMUNERATION REPORT
137	THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE ACCOUNTING PROCESS
138	OPPORTUNITY AND RISK REPORT
	RISK MANAGEMENT
144	OPPORTUNITIES
	OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES
146	REPORT ON EXPECTED DEVELOPMENTS
	EXPECTED EARNINGS TREND
	EXPECTED GENERAL ECONOMIC ENVIRONMENT
148	EXPECTED RESULTS OF OPERATIONS
149	EXPECTED DIVIDENDS
	EXPECTED FINANCIAL POSITION
150	OVERALL ASSESSMENT OF EXPECTED PERFORMANCE
150	EVENTS AFTER THE END OF THE REPORTING PERIOD
152	OTHER DISCLOSURES
155	DISCLAIMER
156	CONSOLIDATED STATEMENTS
158	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
159	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
160	CONSOLIDATED STATEMENT OF CASH FLOWS
161	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
162	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
	BASIC PRINCIPLES
186	NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION
196	NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
201	OTHER DISCLOSURES
215	INDEPENDENT AUDITOR'S REPORT
225	PUBLICATION DETAILS / FINANCIAL CALENDAR



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Trefß
Managing Director



Carsten Cramer
Managing Director

Dear Shareholders,

We began our rebuild last year but set ambitious goals all the same. We wanted to return to playing football with passion, determination and team spirit, but also with tenacity. This involved large investments in the team and the decision to make a number of structural and organisational changes. A look at the past season shows us that we made the right decisions – the rebuild is already bearing fruit. The team had a great season, improving on the previous one while also playing a more pleasing style of football.

At times we certainly felt that we had unnecessarily dropped points, had a spell of bad luck in the second half of the season and should have made more out

of the situation. However, by no means could we have predicted that the rebuild would result in a second-place finish, nor was that our (stated) objective. In light of the many changes we have made, we view this as a remarkable success and as a springboard for the future.

While we are confident that we are well positioned for what lies ahead, we intend to be even more ambitious this year. Borussia Dortmund has no reason to relent and can in good conscience be more vocal about its clear-cut goals: we want to become the German champions and solidify our position as one of Europe's best teams.

This is what we have set the course for. We have full confidence in our head coach. Lucien Favre has guided the team back to success, established clear structures and further developed our players. It is only logical then that we should want to shape the future together.

Aside from personnel, we will continue to invest in our infrastructure. By expanding the training ground, we are providing the first-rate athletic and professional conditions that are essential for success on the pitch.

Implementing the long-term measures requires a basis that is both financially sound and geared for the future. By developing a growth strategy, we are working to further secure the club's competitiveness. Sponsorships, internationalisation and digitalisation are to be the cornerstones of this

foundation. This will only succeed if off the pitch we put together a team of competent, forward-looking and highly motivated people and expand our organisational structures. In this regard, we are already prepared for tomorrow.

With all we are doing to achieve economic success, it is particularly important to avoid losing sight of our roots. Our commercialisation efforts call for considerable tact. Our ties to our fan base and the accompanying mindset always guide our deliberations and determine our actions. The ongoing rebuild will not change this mindset either.

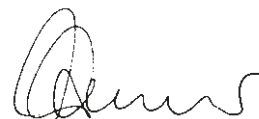
Join us as we look forward to a promising and auspicious season. We eagerly await the start of what will be a thrilling Bundesliga season and high-calibre international competition in the UEFA Champions League.



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 a successful 2018/2019 financial year, both from an athletic and a financial perspective.

Not only did Borussia Dortmund again qualify directly for the group stage of the UEFA Champions League in 2019/2020, but by taking the title race down to the wire on the very last match day it also played a key role in making the season one of the most exciting in years, not just for BVB fans but for all Bundesliga fans worldwide. Even though Borussia Dortmund unfortunately only just missed out on being crowned Bundesliga champions, the Supervisory Board wishes to expressly thank the management, the sporting director and his team, as well as the new coach Lucien Favre and his coaching staff for taking Borussia Dortmund by the reins after a difficult 2017/2018 season and directly propelling the team to a second-place finish in the 2018/2019 season. Whereas this time last year we stated that the rebuild would require time and patience, we can now say far sooner than expected that last year's expectations were more than fulfilled.

From the Supervisory Board's perspective, the Company's healthy and sustained financial position is also worthy of note. Financially, Borussia Dortmund can again look back on one of its most successful ever financial years. The Company generated consolidated revenue of EUR 489.5 million (previous year: EUR 536.0 million). In the financial year ended, consolidated net profit after taxes amounted to EUR 17.4 million (previous year: EUR 31.7 million), which was reflected in the results of operations in Borussia Dortmund GmbH & Co. KGaA's single-entity financial statements. The Company generated net income for the year after taxes of EUR 25.8 million (previous year: EUR 26.4 million). The Supervisory Board is therefore extremely pleased to report that it and the general partner will, for the eighth consecutive year, propose to the Annual General Meeting in November 2019 that it resolve to distribute a dividend using the net profit.

Supervisory Board activity, meetings

In the 2018/2019 financial year, the Supervisory Board closely monitored the status and development of the Company and the Group. 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 four times during the 2018/2019 financial year (on 10 September 2018, 26 November 2018, 18 March 2019 and 20 May 2019). In addition, one resolution was circulated and adopted by the Supervisory Board without holding a meeting. With the exception of Mr Christian Kullmann, all members attended more than half of the meetings of the Supervisory Board. 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. 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 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 2018/2019 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 2018/2019 (§ 111 (2) sentence 4 in conjunction with § 278 (3) AktG) and on the request for proposals relating to the audit of the annual and consolidated financial statements for the 2019/2020 financial year. 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.

2018/2019 Annual and Consolidated Financial Statements

The annual financial statements for Borussia Dortmund GmbH & Co. KGaA and the consolidated financial statements as at 30 June 2019 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")) 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 9 September 2019, 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 9 September 2019, the Supervisory Board approved the annual financial statements of Borussia Dortmund GmbH & Co. KGaA as at 30 June 2019 as well as the consolidated financial statements as at 30 June 2019.

Moreover, the Supervisory Board performed its own review of the report on relationships with affiliated companies (dependent company report) for the 2018/2019 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 2018/2019 financial year. In line with the statutory options and as in the 2017/2018 financial year, 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 2018 to 30 June 2019 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 9 September 2019, 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 2019 be adopted. At its meeting on 9 September 2019, the Supervisory Board discussed and reviewed the proposal for the appropriation of net profits by the general partner, taking into account the interests of the limited liability shareholders and the position of the Company, namely the financial and capital structure; the Supervisory Board approved the management's proposal to the Annual General Meeting that it resolve to use the net retained profits of EUR 25,844,185.35 for financial year 2018/2019 to distribute a dividend of EUR 0.06 per share carrying dividend rights (totalling EUR 5,518,866.00) and to transfer the remainder (EUR 20,325,319.35) to other revenue reserves.

Moreover, the Supervisory Board proposes ratifying the actions of the general partner, Borussia Dortmund Geschäftsführungs-GmbH, for the 2018/2019 financial year.

The recommendation of the Supervisory Board to the Annual General Meeting on selection of the

statutory auditor of the annual and consolidated financial statements for the 2019/2020 financial year follows a selection procedure in accordance with Article 16(3) of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 ("EU Statutory Audit Regulation"). The Supervisory Board was directly responsible for all material decisions associated with this process. The organisational preparations were made by member of the Supervisory Board Ulrich Leitermann, who was supported by a project group from the Company's Accounting department headed by Thomas Treß, Managing Director Finance and Organisation.

Corporate governance

The Supervisory Board and the management of the general partner also dealt with issues of corporate governance during the reporting period. The Supervisory Board also assessed the efficiency of its work, namely the frequency of its meetings and their preparation and conduct, as well as the flow of information. 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 currently applicable version dated 7 February 2017. 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

After the end of the reporting period, 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. Dr Müller served as Federal Minister for Economic Affairs and Technology from 1998 to 2002 and as acting Federal Minister of Finance in 1999, moving on to become CEO of RAG Aktiengesellschaft/Evonik

Industries AG (2003 to 2008), Chairman of the Supervisory Board of Deutsche Bahn AG (2005 to 2010) and Chairman of the Board of Executives of RAG-Stiftung (December 2012 to May 2018). Dr Müller was a member of the Advisory Board of the general partner, Borussia Dortmund Geschäftsführungs-GmbH, a position he held from 2006 until 24 November 2014, when he was appointed to the Supervisory Board. He was appointed Deputy Chairman of the Supervisory Board on 23 November 2015. The Supervisory Board received the news of Dr Müller's passing with great sadness. Our thoughts are with his family. Borussia Dortmund 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 Supervisory Board would like to express its gratitude to the management, the Works Council and all employees for their enduring commitment and hard work.

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

Dortmund, 9 September 2019

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 Partner 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	
Chairman of the Executive Board of Evonik Industries AG, Essen	
Dr Werner Müller	Deputy Chairman
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	
Internist, Medical Dir. and Partner of Internistische Naturheilkundliche Gem.-praxis, Bornheim	
Silke Seidel	
Senior Executive at Dortmunder Stadtwerke Aktiengesellschaft and Managing Director of Hohenbuscher Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund	

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%	besttravel dortmund GmbH
100.00%	BVB Merchandising GmbH
100.00%	BVB Event & Catering GmbH
100.00%	BVB Asia Pacific Pte. Ltd.
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 2018/2019

During the reporting period of the 2018/2019 financial year (1 July 2018 to 30 June 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 Borussia Dortmund shares; where necessary, figures have been rounded up to the nearest hundredth).

The shares in Borussia Dortmund GmbH & Co. KGaA kicked off the new 2018/2019 financial year at EUR 5.36 on 2 July 2018, reaching the EUR 6.00 mark by mid-July 2018 before closing out the month of July 2018 at around EUR 6.20. Although this was still during the Bundesliga's summer break, the share price increased in light of the imminent rebuild under new head coach Lucien Favre, which included the transfers of Axel Witsel, Thomas Delaney, Abdou Diallo and Paco Alcácer, as well as the team's positive preseason results, including during the club's tour of the United States. The share price continued to rise in August 2018 on the heels of the euphoria at the beginning of the season and positive financial news. On 1 August 2018, Borussia Dortmund GmbH & Co. KGaA shares traded at EUR 6.23 and at EUR 6.23 on 9 August 2018. The share price briefly dipped to EUR 6.00 on 20 August 2018 before rebounding following the team's win in the first round of the

DFB Cup and its victory against RB Leipzig on match day one of the Bundesliga. The shares traded at EUR 6.06 on 23 August 2018. On 24 August 2018, the Company announced the preliminary figures for the 2017/2018 financial year (see ad hoc disclosure from the same date) and record consolidated revenue of EUR 536.0 million (previous year: EUR 405.7 million). Consolidated net profit after taxes amounted to EUR 28.5 million (previous year: EUR 8.2 million). The capital market took a positive view of this report and the announcement that the dividend would remain unchanged compared to the previous year. Shares in Borussia Dortmund traded at EUR 6.45 on 27 August 2018, EUR 6.63 on 28 August 2018, EUR 6.75 on 29 August 2018 and EUR 6.89 on 31 August 2018. This upswing continued into September 2018 following positive results in the Bundesliga and the UEFA Champions League. The trend was reinforced on the news that the shares in Borussia Dortmund would continue to trade on the SDAX. On 3 September 2018, the shares traded at EUR 6.66 and climbed until the end of the month to EUR 7.68 on 28 September 2018.

On 1 October 2018, shares in Borussia Dortmund GmbH & Co. KGaA traded at EUR 7.90 and continued to climb thereafter to a 17-year high. BVB shares traded at EUR 8.06 on 4 October 2018, EUR 8.40 on 16 October 2018, EUR 8.74 on 17 October 2018, EUR 9.08 on 18 October 2018 and EUR 9.15 on 19 October 2018. On 29 October 2018, shares in Borussia Dortmund traded at EUR 9.25. Shortly thereafter on 6 November 2018, the share price not only reached its peak for the reporting period but also a 17-year high of EUR 10.06. On 9 November 2018, Borussia Dortmund GmbH & Co. KGaA released the preliminary first quarter figures for financial year 2018/2019 (see ad hoc disclosure from the same date), following up the excellent sporting situation with positive economic news. Nevertheless, the share price then dropped, which commonly occurs in connection with dividend distributions. The shares traded at EUR 9.94 on 13 November 2018, EUR 9.39 on 14 November 2018 and EUR 8.92 on 19 November 2018. BVB shares were listed at EUR 8.66 on 26 November 2018, the date of the Annual General Meeting (previous year: EUR 6.10). On that same day, the Annual General Meeting resolved a dividend distribution of EUR 0.06 per share. The shares traded at EUR 8.57 on the following day (27 November 2018). In December 2018, the share price then dropped to around the EUR 8.00 mark despite the team's impressive form going into the winter break: it had

advanced to the next round of the DFB Cup, had lost just one match on its way to being crowned the Bundesliga's "autumn champions", and had topped its group in the UEFA Champions League. BVB shares traded at EUR 8.01 on 12 December 2018, at EUR 8.18 on 19 December 2018, at EUR 8.05 on 21 December 2018 and at EUR 7.80 on 27 December 2018. The 2018 calendar year ended with shares trading at EUR 7.97 on 28 December 2018 (previous year: EUR 6.13).

The shares of Borussia Dortmund then 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. The shares traded at EUR 9.05 on 21 January 2019, EUR 9.19 on 25 January 2019 and 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. The shares then lost considerable ground, trading at EUR 8.88 on the following day, 6 February 2019. The 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. The 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. The shares traded at EUR 7.69 on the next trading day (25 February 2019). The rebound in share price was again interrupted following the team's ultimate elimination from the

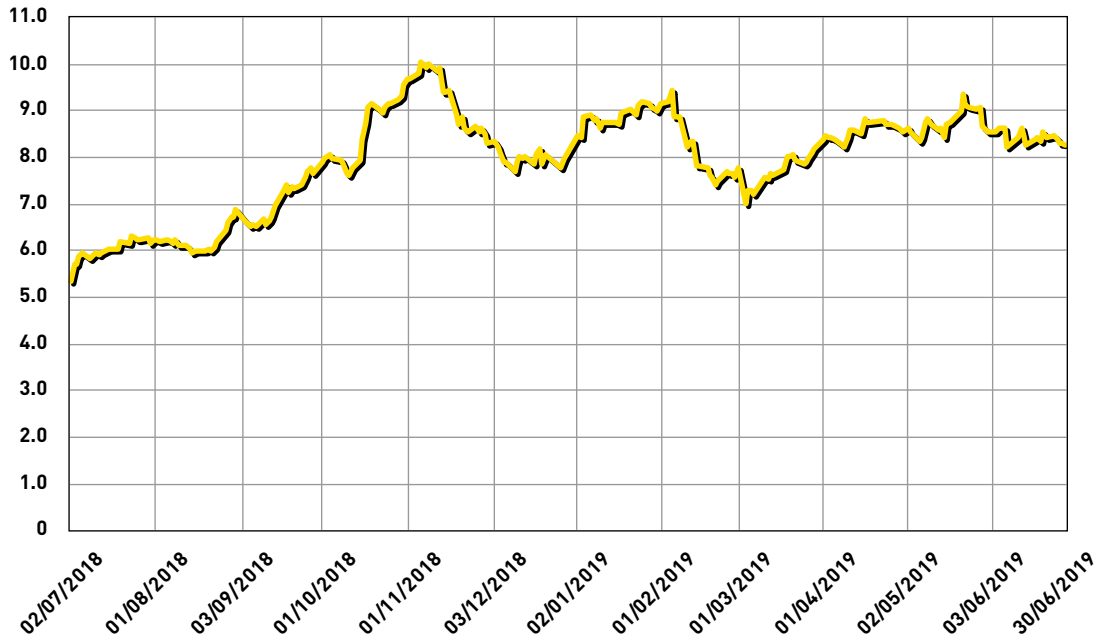
UEFA Champions League on 5 March 2019. The shares traded at EUR 7.31 on 6 March 2019. The recovery was then boosted by two further victories in the Bundesliga and the continuing prospect that the club could be crowned champions. BVB shares traded at EUR 7.56 on 11 March 2019, EUR 7.66 on 15 March 2019, EUR 8.01 on 19 March 2019, EUR 8.06 on 21 March 2019 and EUR 8.09 on 28 March 2019. The third quarter then ended with shares in Borussia Dortmund trading at EUR 8.19 on 29 March 2019 (previous year: EUR 5.12).

Borussia Dortmund's share price performance in the last quarter of the financial year was shaped by what promised to be the most exciting race for the Bundesliga title in years, with the winners not being crowned until the final and 34th match day on 18 May 2019. The shares traded at EUR 8.38 on 1 April 2019 and at EUR 8.45 on 4 April 2019, before continuing to rise despite an unfortunately resounding defeat to FC Bayern Munich on 6 April 2019. Borussia Dortmund GmbH & Co. KGaA shares traded at EUR 8.58 on 11 April 2019, at EUR 8.85 on 16 April 2019 and at EUR 8.80 on 23 April 2019. On 27 April 2019, Borussia Dortmund then suffered a setback in its quest to become Bundesliga champions, losing unnecessarily at home to none other than FC Schalke 04. On the following day, 29 April 2019, the

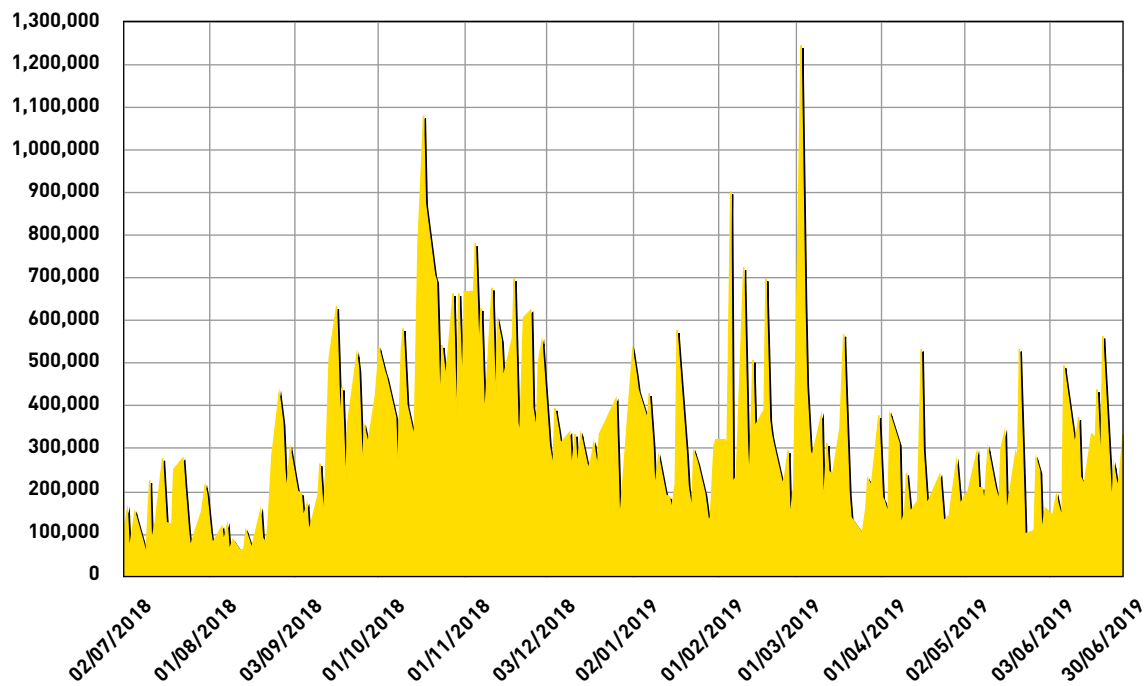
shares then traded at EUR 8.65 and at EUR 8.57 on 30 April 2019. The team then unnecessarily drew its match in Bremen on 4 May 2019, after which Borussia Dortmund shares traded at EUR 8.34 on 6 May 2019. However, Bayern Munich also stumbled and the race to be crowned Bundesliga champions came down to the final two match days. The share price was pushed up further by the fact that Borussia Dortmund had long since qualified for the 2019/2020 season of the UEFA Champions League and that the club announced its positive figures for the first nine months of the year on 8 May 2019 (see ad hoc disclosure from the same date). Borussia Dortmund shares closed out 8 May 2019 at EUR 8.74 and traded at EUR 8.83 on 9 May 2019. Despite two victories, Borussia Dortmund was unable to overtake FC Bayern Munich in the race for the championship title. After a brief week-long drop in price, the shares rebounded following the announcements relatively early in the transfer window that the players Julian Brandt, Nico Schulz and Thorgan Hazard had been acquired for the new 2019/2020 season. Shares in Borussia Dortmund traded at EUR 8.92 on 20 May 2019, EUR 9.00 on 21 May 2019 and EUR 9.37 on 22 May 2019. The share price then fluctuated as it dropped, which it normally does after a dividend is paid out at the end of the season. BVB shares traded at EUR 9.07 on 28 May

2019, EUR 8.66 on 29 May 2019, EUR 8.23 on 7 June 2019, EUR 8.62 on 12 June 2019, EUR 8.27 on 14 June 2019, EUR 8.42 on 18 June 2019, EUR 8.57 on 20 June 2019 and EUR 8.46 on 24 June 2019. The reporting period ended with shares in Borussia Dortmund trading at EUR 8.28 on 28 June 2019 (previous year: EUR 5.38).

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 30 June 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 30 June 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 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 <https://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 was to continue to foster communication with the capital markets. The Annual Press Conference on the preliminary figures of the 2017/2018 financial year was held in Dortmund on 24 August 2018. The Company also held an analyst conference on the same day in Frankfurt am Main. Borussia Dortmund also gave a company presentation and held several one-on-one meetings at the German Equity Forum in Frankfurt am Main on 27 November 2018. Lastly, the Company held group and one-on-one meetings, including conference calls, with capital market representatives during the reporting period and held roadshows on 13 November 2018 in London, United Kingdom, on 12 and 13 March 2019 in New York, USA, on 4 June 2019 in Zurich, Switzerland, on 17 June 2019 in Frankfurt am Main, Germany, and on 18 June 2019 in London, United Kingdom.

Dividend policy

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

On the one hand, the net profit or loss for the year is assessed. In the past few financial years, Borussia Dortmund has continuously reported a net profit for the year.

On the other hand, free cash flow is used to ensure that cash flows from operating activities are sufficient to cover investments.

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

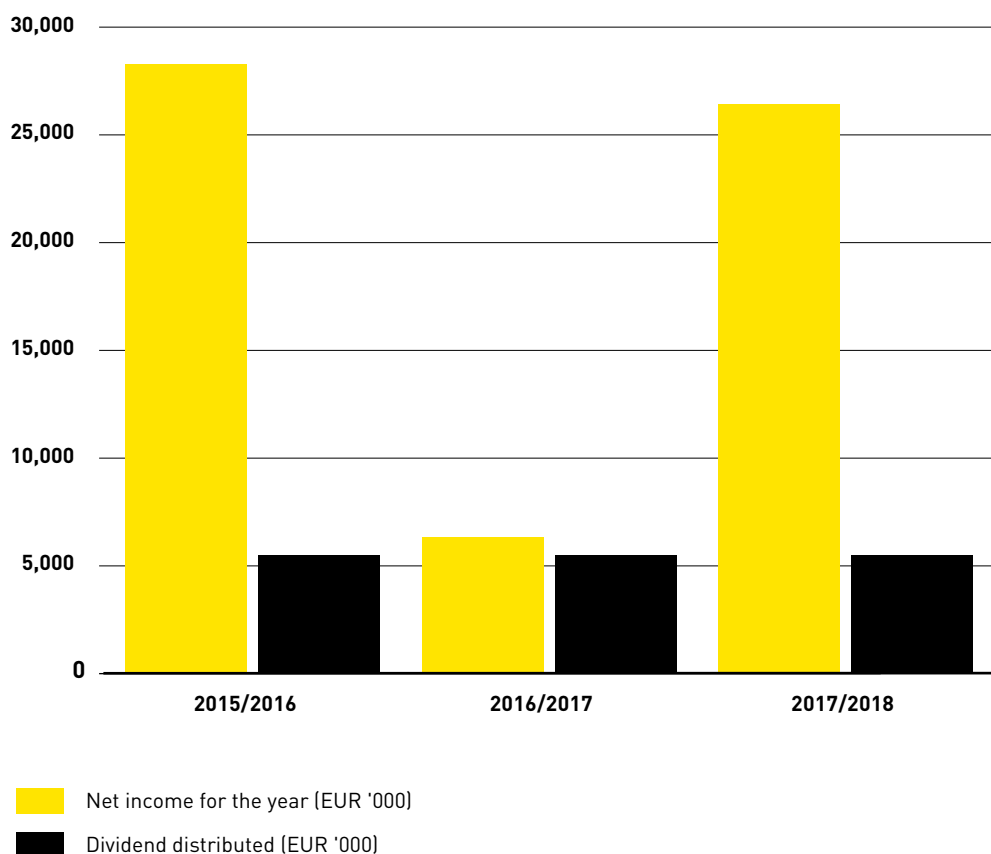
- Edison Research Investment Ltd., London, UK
Most recent research update: 17 June 2019,
Recommendation: "n/a"
- Frankfurt Main Research AG, Frankfurt am Main
Initial research study: 24 May 2019,
Recommendation: "Buy"
- GSC Research GmbH, Düsseldorf
Most recent research update: 16 May 2019,
Recommendation: "Buy" (previously: "Hold")
- Bankhaus Lampe KG, Düsseldorf
Most recent research update: 25 February 2019,
Recommendation: "Buy" (previously: "Buy")

Individual studies and research updates that our Company is entitled to publish are available online at www.bvb.de/aktie and <https://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.

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.

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 <http://aktie.bvb.de/eng>.

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 pre-

servation 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.

Although a large number of the Code's recommendations (expressed using the word "shall") are intended exclusively for German stock corporations

(*Aktiengesellschaft*, "AG"), they may also 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. 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 2019, 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 26 November 2018. 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. The resolutions on all agenda items were approved, with votes in favour ranging between 98.40% and 99.97% of the votes cast.

The next Annual General Meeting of Borussia Dortmund GmbH & Co. KGaA will take place on 25 November 2019 in Dortmund.

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.

In accordance with section 5.4.2 of the German Corporate Governance Code, the Supervisory Board shall include what it considers an adequate number of independent members, thereby taking into account the shareholder structure. In assessing independence, the Code states that Supervisory Board members are to be considered non-independent in particular if they have a personal or business relationship with the corporation, its governing bodies, a controlling (limited liability) shareholder or a company affiliated with the

controlling (limited liability) shareholder that may cause a substantial and not merely temporary conflict of interest. The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA believes that it is sufficient and adequate for at least a third of the nine members it comprises (i.e. three members) to be independent within the meaning of the German Corporate Governance Code. The Supervisory Board classifies all of its current members (Ms Silke Seidel, Mr Bernd Geske, Mr Bjørn Gulden, Mr Christian Kullmann, Mr Ulrich Leitermann, Dr Reinhold Lunow, Mr Gerd Pieper and Mr Peer Steinbrück) as independent within this meaning.

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 exists 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, we have presented the remuneration of individual Managing Directors in the notes to the annual and consolidated financial statements on a voluntary basis.

Dortmund, 9 September 2019

On behalf of the Supervisory Board



Gerd Pieper
Chairman

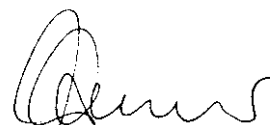
On behalf of Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



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 9 SEPTEMBER 2019

In accordance with § 161 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 10 September 2018, Borussia Dortmund GmbH & Co. KGaA has and will continue to comply with the recommendations of the German Corporate Governance Code (the "Code") as amended on 7 February 2017 (published in the Federal Gazette (*Bundesanzeiger*) on 24 April 2017 and amended on 19 May 2017), with the exception of the following deviations due to certain specific characteristics of the KGaA legal form and the provisions of the Articles of Association of the Company:

Re section 3.8 (3):

The D&O policy does not include a deductible; there is no intention to change this 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:

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). Previously, no such whistleblower system was in place at the Company nor does the management currently intend to establish such a system. The Company already had and continues to have what it considered and

considers to be appropriate and reasonable measures in place that allow 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 section 4.2.1 sentence 2:

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 have considered and continue to consider it unnecessary to stipulate additional rules of procedure for the management.

Re section 4.2.2 (2) sentence 3:

Article 7 of Borussia Dortmund GmbH & Co. KGaA'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 percent of the net profit for the year generated by the Company. Moreover, as in the past, the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH (deviation from Supervisory Board responsibility as stipulated in section 4.2.2 (2) sentence 3 due to the Company's legal form) will continue to adopt and regularly review the remuneration and the remuneration system for the Managing Directors.

Re section 4.2.3 (2) sentences 3 and 4 as well as sentence 6, first alternative, and (2) sentence 8:

The remuneration structure for the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH is adopted by the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH. As in the past, this will continue to be adopted without the Managing Directors' variable remuneration components having "essentially forward-looking characteristics", without considering negative developments when structuring them and without limiting the sum of the remuneration to a maximum amount; in addition, the Executive Committee will not exclude the possibility of retroactive modifications to performance targets and/or comparison parameters. Given the specific features of the legal form KGaA, the relevant recommendations appear irrelevant to and impracticable for the Company.

Re section 4.2.3 (4) sentences 1 and 2, and (5):

The Code recommends that German stock corporations stipulate severance caps in executive board members' service agreements in the event of early termination of executive board activity or due to early termination of executive board activity due to a change of control. As in the past, the Executive Committee will continue to have decision-making

power in relation to the (re-)appointment of the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH, generally without stipulating severance caps as such, given that due to the specific features of the legal form KGaA and the provisions of the Articles of Association of the Company, the aforementioned recommendations do not appear practicable. However, the Executive Committee does consider the recommendation not to pay members of the executive board in the event of the termination of their service agreements for good cause analogously applicable to the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH.

Re section 4.2.3 (6):

As in the past, the Chairman of the Supervisory Board will 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 4.2.5 (3) sentences 1 and 2:

As in the past, our Company will not follow the recommendation that the remuneration report include specific, detailed disclosures on each member of the executive board and that the table templates attached to the Code be used for this information. This is because that the Company does not have an executive board on account of its legal form. Furthermore, due to the specific characteristics of the KGaA legal form, there exists 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, we have presented the remuneration of individual Managing Directors in the notes to the annual and consolidated financial statements on a voluntary basis; this appears to be sufficient and appropriate from the perspective of the usefulness of information.

Re section 4.3.3 sentence 4:

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) require the consent of the Supervisory Board. In this sense, the Company has complied with the recommendation. Furthermore, the Supervisory Board is not authorised to adopt a list of transactions requiring its prior consent for the general partner or its Managing Directors.

Re section 4.3.4:

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.

Re section 5.1.2 (1) sentences 2 and 4:

Long-term succession planning is the responsibility of the Managing Directors of the Company and – given that the Supervisory Board has no authority to appoint and dismiss personnel due to the Company's legal form – the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH. The latter also acts to ensure sufficient diversity when staffing the management.

Re section 5.1.2 (2) sentence 2:

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 section 5.1.2 (2) sentence 3:

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 sections 5.3.1 sentence 1, 5.3.2 and 5.3.3:

As in the past, the Supervisory Board will not set up committees, specifically an audit committee. Going forward, the full Supervisory Board will continue its existing practice of discussing 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:

As in the past, the Supervisory Board will neither specify concrete objectives regarding its composition that consider specific issues addressed in the Code (namely "age limits for supervisory board members", "diversity", "the number of independent supervisory board members within the meaning of section 5.4.2", or a "limit on the length of membership"), nor develop a profile of skills and expertise for the entire Supervisory Board. Consequently, these objectives or any implementation thereof was not and is not disclosed in the Corporate Governance Report. The Supervisory Board believes that such limitations are not appropriate vis-à-vis other Supervisory Board member nomination criteria and prefers to decide on proposals relating to its composition in light of specific situations as they arise. 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 section 5.4.1 (6):

As in the past, when submitting nominations to the Annual General Meeting, the Supervisory Board will not disclose the personal or business relationships between each candidate with the Company, the executive bodies of the Company or any material limited liability shareholder in the Company (i.e., one holding more than 10% of voting shares), because, in its opinion, no secure legal practice exists with respect to this recommendation and the legal certainty of Supervisory Board elections takes a higher priority than any effort to make legally unnecessary disclosures in connection with nominations.

Re section 5.4.3 sentence 3:

No proposed candidates for the office of Chairman of the Supervisory have been or will be disclosed because the Supervisory Board considers 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:

As in the past, the Company will continue to reserve the right to not comply with the recommendation that the Supervisory Board reports to the Annual General Meeting on conflicts of interest as they arise and how these are managed. As in the past, the principle of confidentiality of deliberations within the Supervisory Board (see § 116 sentence 2 AktG and section 3.5 (1) sentence 2) will generally continue to take precedence.

Re section 7.1.2 sentence 2:

The Company has not and will not comply with the recommendation that the management and the Supervisory Board discuss any half-yearly and quarterly financial reports or interim financial information prior to their publication because the objective of publishing interim financial reports without delay following their preparation by the management takes precedence. Regardless, the Supervisory Board has discussed and monitored such financial reports, and will continue to do so in the future.

Dortmund, 9 September 2019

On behalf of the Supervisory Board



Gerd Pieper
Chairman

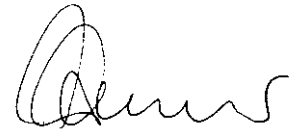
On behalf of Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



MANAGEMENT REPORT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



**MANAGEMENT REPORT Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund
for the 2018/2019 financial year**

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

BUSINESS TREND

LOOKING BACK ON FINANCIAL YEAR 2018/2019

DFB Cup

In the first round of the DFB Cup, Borussia Dortmund beat SpVgg Greuther Fürth 1:2. Lucien Favre's team also won its second-round matchup, beating 1. FC Union Berlin 3:2. Borussia Dortmund then lost 5:7 on penalties in the round of 16 to Bundesliga rivals SV Werder Bremen.

Bundesliga

Under Lucien Favre, Borussia Dortmund finished the 2018/2019 Bundesliga season with 76 points in second place behind FC Bayern Munich, thereby qualifying directly for the group stage of the UEFA Champions league. Borussia Dortmund will also host FC Bayern Munich in this year's DFL Super Cup on 3 August 2019.

UEFA Champions League

In the UEFA Champions League, the team chalked up four wins, one draw and a loss to top its group and qualify for the round of 16, where it faced Tottenham Hotspur. Borussia Dortmund lost both the first (3:0) and second (0:1) legs of the tie.

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 IN THE 2018/2019 FINANCIAL YEAR

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.

Transfer deals

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 left Borussia Dortmund for Chelsea FC.

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.

Capital expenditure

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.

Match operations

Of the 55,500 season ticket holders, only 139 opted to not renew their season tickets for the upcoming 2019/2020 season.

Other

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

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.

Borussia Dortmund has partnered with Amazon Prime Video to give its fans around the world a first-hand look behind the scenes. The four-part documentary series was filmed over the course of the past season and directed by Aljoscha Pause.

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 began its work 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 was 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.

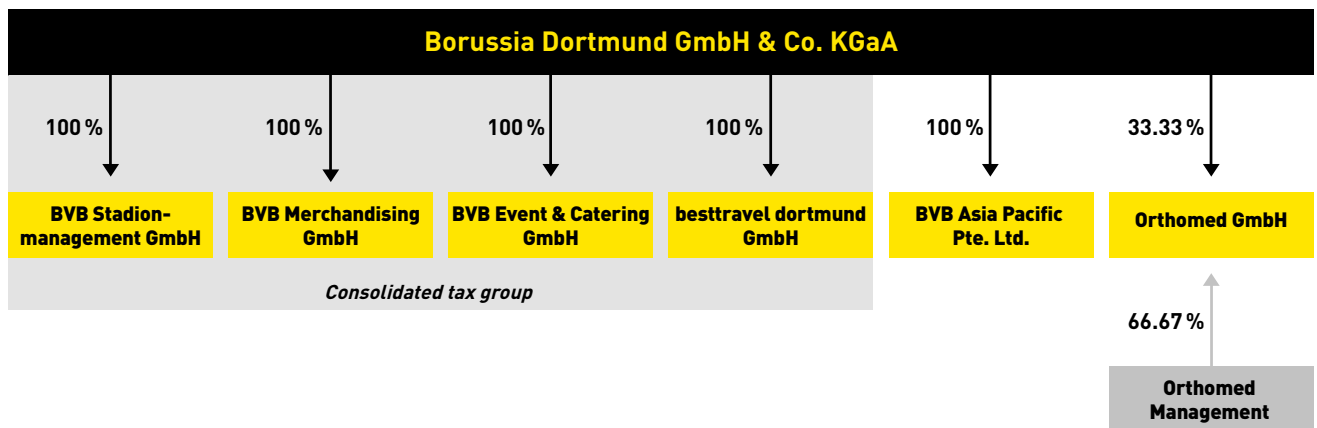
GENERAL INFORMATION ABOUT THE COMPANY

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%) and Orthomed GmbH (33.33%).

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.

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 2018/2019 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	Peer Steinbrück	Bernd Geske	Christian Kullmann	Dr Werner Müller	Ulrich Leitermann	Bjørn Gulden	Dr Reinhold Lunow	Silke Seidel
Chairman				Deputy Chairman				

RIGHT TO REMUNERATION 2018/2019 (EUR '000)

24	12	12	12	18	12	12	12	12
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OCCUPATIONS (as at 30 June 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 Hohenbuschei Beteiligungsgesellschaft mbH, Westfalen-1 GmbH and Dortmund Logistik GmbH, all in Dortmund
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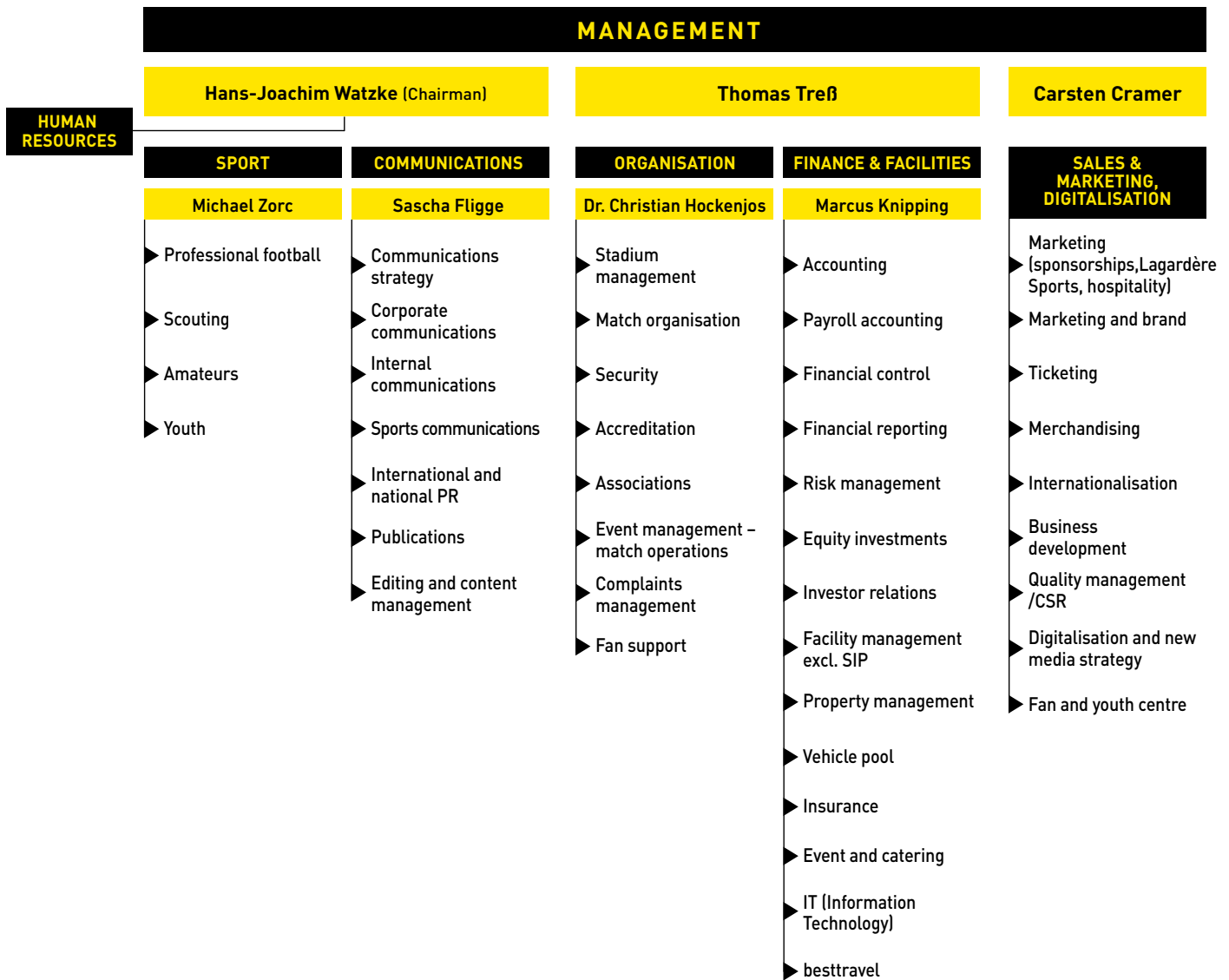
OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 30 June 2019)

Member of the Advisory Board of Borussia Dortmund Geschäftsführung-GmbH, 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 Dortmund 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, Braband, Denmark	Member of the Supervisory Board of Tchibo GmbH, Hamburg	Member of the Supervisory Board of Pandora A/S, Copenhagen, Denmark (until 13 March 2019)
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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 and thus far only 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 in Europe.
- 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), Evonik Industries AG (ending 2025) and PUMA International Sports Marketing B.V. (ending 2020), the Company's chief partners.

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

The net profit for the year and targeted investments in the professional squad are expected to result in a stable, positive free cash flow.

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

Development of financial performance indicators

In the 2018/2019 financial year, Borussia Dortmund's financial performance indicators – sales, result from operating activities (EBIT), operating result (EBITDA), net income/net loss for the year, cash flows from operating activities and free cash flow– were as follows:

Sales

Sales amounted to EUR 446,030 thousand in the reporting period. In the Annual Report as at 30 June 2018, Borussia Dortmund forecast sales of EUR 375,000 thousand for the current financial year. This forecast was significantly exceeded due to the Company's success during the season.

Operating result (EBITDA)

The operating result in the current financial year amounted to EUR 114,991 thousand; the forecast for the full financial year in the Annual Report dated 30 June 2018 had projected EBITDA to exceed the result from operating activities (EBIT) by approximately EUR 70,000 thousand; this would have corresponded to EBITDA of EUR 94,353 thousand for the 2018/2019 financial year. The forecast was exceeded on the back of unexpectedly high transfer income.

Result from operating activities (EBIT)

The result from operating activities for the period from 1 July 2018 to 30 June 2019 amounted to EUR 24,353 thousand and the net income for the year totalled EUR 25,844 thousand.

The report on expected developments dated 30 June 2018 forecasted net income and result from operating activities (EBIT) in the low seven-figure range for the full financial year.

The forecast was exceeded on the back of unexpectedly high transfer income.

Cash flows

Cash flows from operating activities amounted to EUR 143,692 thousand (previous year: EUR 156,861 thousand). The management's forecast as at 30 June 2018 was for cash flows from operating activities amounting to EUR 95,000 thousand.

Free cash flow

Free cash flow at the end of the 2018/2019 financial year amounted to EUR 4,737 thousand (previous year: EUR 18,391 thousand). The report on expected developments dated 30 June 2018 forecasted free cash flow of EUR 10,000 thousand.

Overview of financial performance indicators:

Borussia Dortmund KGaA (HGB)

EUR '000	2018/2019	2017/2018
Sales	446,030	494,972
Operating result (EBITDA)	114,991	118,726
Result from operating activities (EBIT)	24,353	30,301
Net income for the year	25,844	26,405
Cash flows from operating activities	143,692	156,861
Free cash flow	4,737	18,391

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 more than 15,000,000 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 third quarter. Borussia Dortmund's followers on Instagram continued to increase steadily, rising by more than 500,000 since the third quarter. With 7,707,729 followers as at 30 June 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. In the fourth quarter, Borussia Dortmund joined the Chinese video platform TikTok, which primarily caters to a teenage audience. The channel is extremely popular and shows the largest growth overall with 175,000 new users.

Elsewhere on social media, the numbers were also positive. Borussia Dortmund added just under 100,000 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. The trend also extends to the Chinese social media platform Douyin, which is used to create and share short video clips and targets younger audiences. Borussia Dortmund has more than 55,000 followers on the platform. Borussia Dortmund's new English-language Twitter channel also set new standards, with three tweets alone generating more than 15 million impressions.

RESULTS OF OPERATIONS

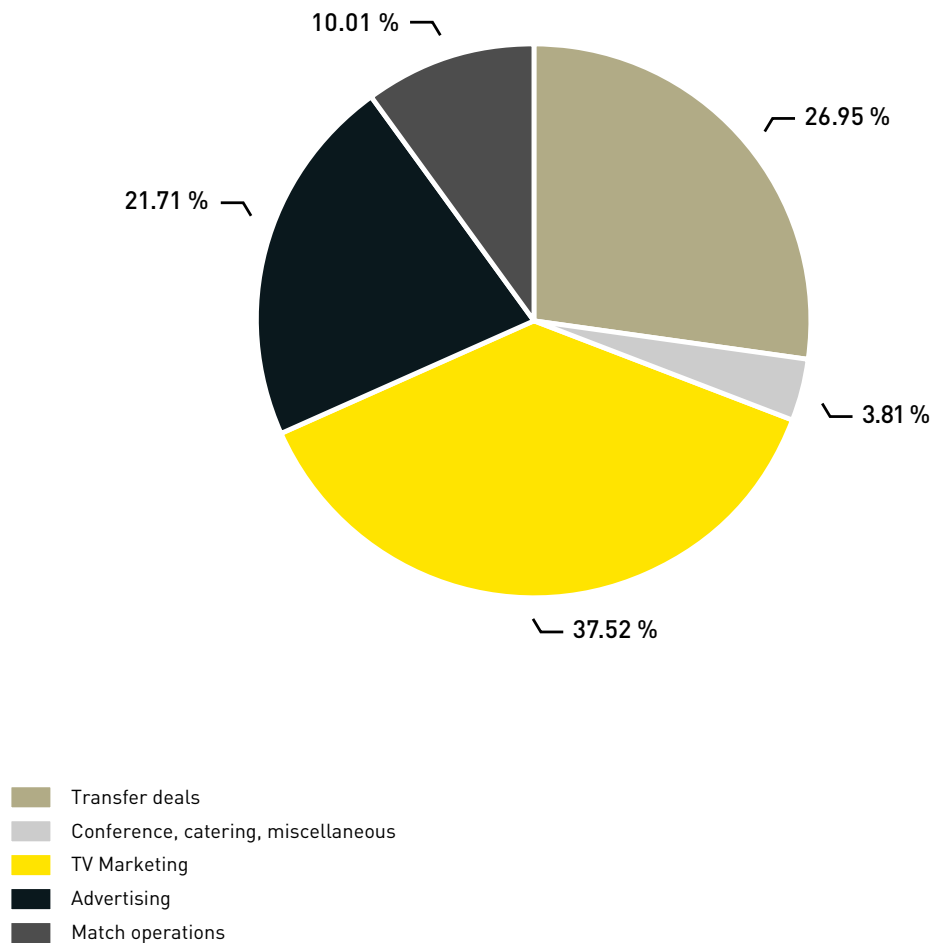
During the reporting period (1 July 2018 to 30 June 2019), Borussia Dortmund generated sales of EUR 446,030 thousand (previous year: EUR 494,972 thousand) and gross revenue of EUR 461,965 thousand, a decrease of EUR 36,072 thousand (7.24%) on the previous financial year.

Earnings before taxes amounted to EUR 27,656 thousand (previous year: EUR 29,611 thousand), while the result from operating activities (EBIT) amounted to EUR 24,353 thousand (previous year: EUR 30,301 thousand).

During the current reporting year, the operating result (EBITDA) amounted to EUR 114,991 thousand (previous year: EUR 118,726 thousand).

Borussia Dortmund generated net income of EUR 25,844 thousand during the 2018/2019 financial year (previous year: EUR 26,405 thousand).

Sales in percent

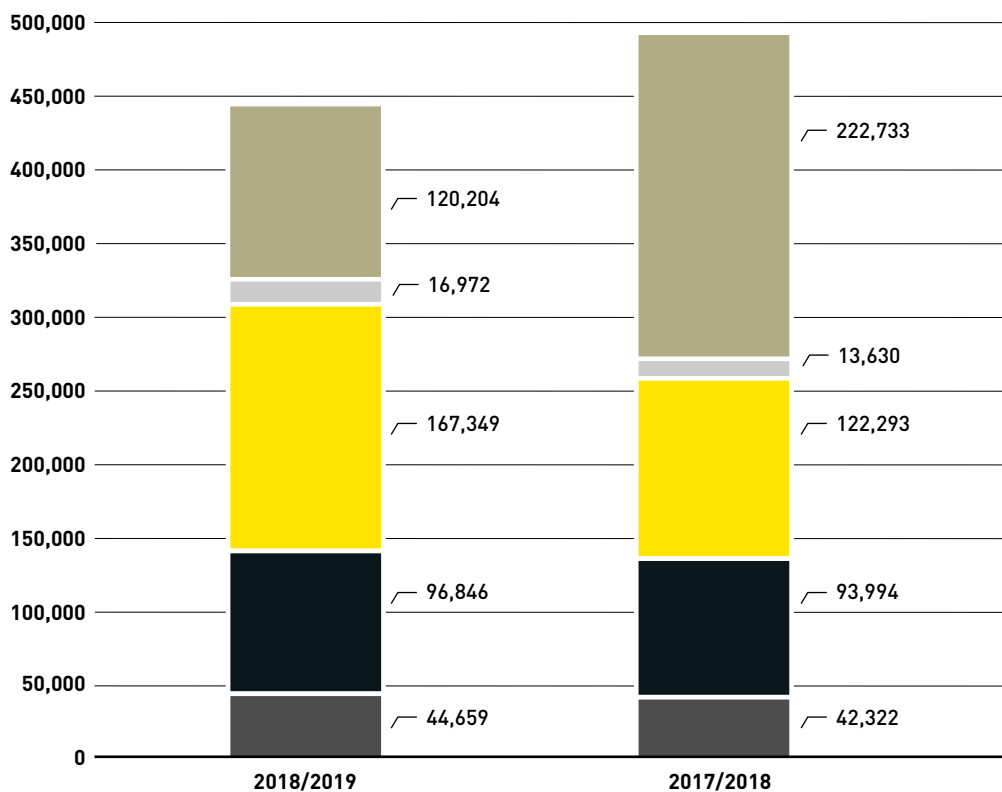


SALES TREND

Borussia Dortmund generated sales of EUR 446,030 thousand in the 2018/2019 financial year. The decrease of EUR 48,942 thousand (9.89%) in sales is due primarily to decline in transfer income, which decreased from EUR 222,733 thousand in the previous year to EUR 120,204 thousand. Adjusted for transfer income, sales increased by 19.68% from EUR 272,239 thousand in the previous year to EUR 325,826 thousand.

Only transfer income remained below the previous year's level in the past financial year. Income from match operations, advertising and TV marketing as well as conference, and catering and miscellaneous income increased year on year.

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 increased by EUR 2,337 thousand to EUR 44,659 thousand in financial year 2018/2019.

Income from match operations for domestic competitions improved by EUR 787 thousand to EUR 28,214 thousand following moderate price adjustments.

Income from national cup competitions increased by EUR 444 thousand to EUR 2,680 thousand, despite the fact that the team did not compete in the DFL Super Cup. This was attributable primarily to two home matches in the DFB Cup.

In the current financial year, Borussia Dortmund impressed on the international stage with four wins, one draw and a loss, easily advancing from the group stage to the round of 16 of the UEFA Champions League, where it faced Tottenham Hotspur. By contrast, in addition to competing in the group stage of the Champions Leagues in the previous season, Borussia Dortmund also played two ties in the Europa League: against Atalanta Bergamo in the round of 32 and against RB Salzburg in the round of 16. On the international stage, Borussia Dortmund only hosted four home matches (previous year: five), generating EUR 7,480 thousand in income from standard and hospitality tickets (previous year: EUR 9,135 thousand).

The income that Borussia Dortmund generated in financial year 2018/2019 from friendlies, in particular in connection with the US tours, including the ticket proceeds generated by the club's other teams, amounted to EUR 6,285 thousand, representing an increase of EUR 2,761 thousand on the previous year.

Income from advertising

In the financial year ended, Borussia Dortmund increased its advertising income by 3.03% to EUR 96,846 thousand (previous year: EUR 93,994 thousand), representing a share of 21.71% 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 included nine other companies.

Borussia Dortmund saw a substantial increase in the number of national and product partners. The club also further stepped up its international advertising. A new stream of sales is virtual advertising boards, which have been used on a regular basis during international live broadcasts of the first and second Bundesliga divisions since the start of the 2018/2019 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.

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 2019/2020 season, and for advancing to the round of 16 of the UEFA Champions League in financial year 2018/2019.

Income from TV marketing

In financial year 2018/2019, income from TV marketing represented the highest share of sales (37.52%) and increased by EUR 45,056 thousand year on year to EUR 167,349 thousand. Both the income from domestic and international TV marketing increased. Only the income from domestic cup competitions declined.

Income from domestic TV marketing amounted to EUR 98,110 thousand, up EUR 10,157 thousand against the prior-year reporting period.

This is due to DFL Deutsche Fußball Liga GmbH's TV agreement, which came into force on 1 July 2017 and provides for annual increases. According to the DFL's preliminary figures, 12.25% more was distributed for the 2018/2019 than in the previous year.

The income from international TV marketing improved by 114.39% from EUR 31,752 thousand in the previous year to EUR 68,073 thousand in the financial year ended.

In financial year 2018/2019, Borussia Dortmund advanced to the round of 16 of the UEFA Champions League and as a result received a considerably higher starting fee than it had received for playing in the round of 32 and round of 16 of the UEFA Europa League in the previous year.

UEFA's new revenue distribution system also entered into force at the start of the current financial year. Compared to the previous year, EUR 2.04 billion was distributed for the UEFA Champions League, an increase of 44.68%. In addition to the starting fees for the group stage, performance-based bonuses and the shares from market pools A and B, a new distribution share ("coefficient share") based on the coefficient ranking of the teams competing in the group stage was introduced at the start of the reporting year. The coefficient is calculated on the basis of the club's performance over the past ten years.

As in the previous year, Borussia Dortmund was eliminated in the third round of the DFB Cup. In the 2018/2019 season, Borussia Dortmund did not compete in the DFL Super Cup. Income from domestic cup competitions thus amounted to EUR 1,162 thousand (previous year: EUR 2,578 thousand).

Transfer income

Income from transfer deals declined by EUR 102,529 thousand to EUR 120,204 thousand due to the departures of Christian Pulisic to Chelsea FC, Sokratis Papastathopoulos to Arsenal FC and Andriy Yarmolenko to West Ham United as well as compensation stemming from transfer deals in previous financial years.

The year-on-year decline in transfer income is due primarily to the remarkably high income that was generated from the transfers of the players Ousmane Dembélé to FC Barcelona and Pierre-Emerick Aubameyang to Arsenal FC during the 2017/2018 season.

The players Marc Bartra, Sven Bender, Gonzalo Castro, Mikel Merino Zazón, Emre Mor and Neven Subotić also left Borussia Dortmund in the previous year.

Conference, catering and miscellaneous income

Conference, catering and miscellaneous income amounted to EUR 16,972 thousand (previous year: EUR 13,630 thousand) and also included sales from advance booking fees, rental and lease income and release fees for national team players.

Conference and catering sales, which comprises the hospitality areas and income from events, remained nearly level year on year at EUR 3,143 thousand (previous year: EUR 3,119 thousand), since the hospitality areas in SIGNAL IDUNA PARK again operated at full capacity.

Advance booking fees and postage amounted to EUR 4,360 thousand in the current financial year, remaining virtually level with the previous year's EUR 4,366 thousand. As in the previous year, 23 home matches were held in Dortmund during the current financial year.

In the reporting period from 1 July 2018 to 30 June 2019, miscellaneous income, which includes the Evonik football academy and rental and lease income as well as the sales from the former Sports & Bytes GmbH, increased by EUR 1,175 thousand to EUR 6,719 thousand. This was due to the fees and marketing of Borussia TV and income from IT services.

Release fees for national team players also increased, rising from EUR 2,149 thousand to EUR 2,750 thousand. This was due primarily to six Borussia Dortmund players being selected for the World Cup.

Other operating income improved by EUR 12,849 thousand year on year to EUR 15,914 thousand. In addition to compensation payments and insurance reimbursements, this item included reversals of write-downs amounting to EUR 3,127 thousand and prior-period income of EUR 11,063 thousand (previous year: EUR 391 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 2018/2019, personnel expenses amounted to EUR 193,686 thousand (previous year: EUR 174,501 thousand).

Personnel expenses for the professional squad increased by 10.11% year on year. In addition to the increase of EUR 6,201 thousand in base salaries, performance-based bonuses also rose by EUR 9,128 thousand. This was due to the team finishing second in the Bundesliga with 76 points, reaching the round of 16 of the UEFA Champions League, and automatically qualifying for the group stage of the competition in the 2019/2020 season.

In the reporting period, personnel expenses related to the retail and administration areas increased by EUR 3,501 thousand year on year to EUR 17,507 thousand. This was due primarily to the expansion of the Sports management team, including the scouting department, the integration of the employees of the former Sports & Bytes GmbH in Borussia Dortmund GmbH & Co. KGaA and the expansion of the football academy.

Personnel expenses in relation to amateur and youth football amounted to EUR 9,200 thousand during the current 2018/2019 financial year (previous year: EUR 8,845 thousand).

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs rose by EUR 2,213 thousand to EUR 90,638 thousand in the reporting period.

During the period from 1 July 2018 to 30 June 2019, intangible fixed assets – which consist primarily of Borussia Dortmund's player registrations – were amortised in the amount of EUR 70,522 thousand (previous year: EUR 58,944 thousand).

Furthermore, EUR 10,476 thousand in write-downs of intangible fixed assets to their fair values were recognised (previous year: EUR 20,362 thousand).

Depreciation and write-downs of tangible fixed assets rose from EUR 9,119 thousand to EUR 9,640 thousand. Depreciation and write-downs of tangible fixed assets rose due to investments in SIGNAL IDUNA PARK relating to the floodlights, the expansion and improvement of security measures and the modernisation and renovation of existing areas, as well as investments in the training ground and the headquarters building.

Other operating expenses

Other operating expenses decreased by EUR 51,522 thousand or 25.16% from EUR 204,810 thousand in the previous year to EUR 153,288 thousand in the reporting period.

Transfer deals declined by EUR 64,731 thousand to EUR 42,926 thousand. This item includes the derecognition of the residual carrying amounts of and sales-related costs for the players Christian Pulisic, Sokratis Papastathopoulos, Nuri Sahin and Andriy Yarmolenko as well as other (subsequent) transfer payments.

Other transfer payments decreased due to the necessary change in the accounting policy.

Agent and brokerage commissions and expenses for contract extensions and the initial recognition of players acquired on free transfers are now recognised as intangible fixed assets on the date the conditions are met. The intangible fixed assets are amortised on a straight-line basis over the remaining term of the individual contracts.

Expenses from match operations increased by EUR 7,546 thousand to EUR 49,174 thousand. This increase is due to rising football association dues for national TV marketing, repair and modernisation

measures in and around SIGNAL IDUNA PARK and the training ground, higher scouting-related expenses as well as enhanced security measures during match operations.

Advertising expenses also increased, by EUR 1,475 thousand. The year-on-year rise in advertising income lead to an increase in commissions paid to Lagardère Sports Germany GmbH. Other advertising measures also increased.

Administrative expenses also rose to EUR 26,849 thousand in the financial year ended. This increase was due primarily to the year-on-year rise in cost and profit allocations, higher travel expenses – attributable in part to the team’s US tour and the tours of the US and Asia undertaken by BVB legends in their roles as brand ambassadors – as well as legal and consulting fees.

Financial result

The financial result for financial year 2018/2019 amounted to EUR 3,303 thousand (previous year: EUR -690 thousand) and breaks down as follows:

Income from profit and loss transfer agreements amounted to EUR 5,016 thousand. These include the results of BVB Merchandising GmbH, BVB Event & Catering GmbH, BVB Stadionmanagement GmbH and besttravel dortmund GmbH. Both BVB Merchandising

GmbH and BVB Event & Catering GmbH increased their prior-year results by more than EUR 900 thousand. The profit and loss transfer agreement with Sports & Bytes GmbH was terminated on account of the Sports & Bytes GmbH’s merger with Borussia Dortmund GmbH & Co. KGaA. In the previous year, EUR 166 thousand had been recognised for this item.

Income from profit and loss transfer agreements

EUR '000	Net profit/loss	Net profit/loss
	01/07/2018 to 30/06/2019	01/07/2017 to 30/06/2018
BVB Stadionmanagement GmbH	69	24
besttravel dortmund GmbH	948	1.044
BVB Merchandising GmbH	1.241	288
BVB Event & Catering GmbH	2.758	1.761
Sport & Bytes GmbH	0	166
	5.016	3.283

Furthermore, interest income of EUR 1,003 thousand was recognised. This includes compound interest of EUR 998 thousand.

Interest expenses amounted to EUR 2,716 thousand, which includes discounting effects of EUR 1,718 thousand.

Taxes on income amounted to EUR 1,502 thousand (previous year: EUR 2,931 thousand) and consisted primarily of EUR 1,768 in tax expenses relating to the financial year ended and offsetting tax assets from prior periods.

ANALYSIS OF CAPITAL STRUCTURE

As at 30 June 2019, total assets amounted to EUR 513,706 thousand, representing an increase of EUR 17,253 thousand as compared to 30 June 2018.

Fixed assets amounted to EUR 391,754 thousand, up EUR 349,426 thousand from the figure as at 30

June 2018. The additions amounted to EUR 152,915 thousand (of which EUR 143,313 thousand to intangible fixed assets) and are attributable to investments amounting to EUR 152,915 thousand.

Furthermore, EUR 524 thousand was added from the fixed assets of Sports & Bytes GmbH, which

BALANCE SHEET

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

ASSETS	30.06.2019		30.06.2018	
	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	182,484	35.5	140,169	28.2
2. Prepayments	1,974	0.4	0	0.0
	184,458	35.9	140,169	28.2
II. Tangible fixed assets				
1. Land, land rights and buildings including buildings on third-party land	177,799	34.6	180,975	36.6
2. Other equipment, operating and office equipment	16,858	3.3	13,558	2.7
3. Prepayments and assets under construction	896	0.2	954	0.2
	195,553	38.1	195,487	39.5
III. Long-term financial assets				
1. Shares in affiliated companies	11,596	2.3	13,607	2.7
2. Equity investments	96	0.0	96	0.0
3. Other loans	51	0.0	67	0.0
	11,743	2.3	13,770	2.7
	391,754	76.3	349,426	70.4
B. CURRENT ASSETS				
I. Inventories				
1. Merchandise	46	0.0	46	0.0
II. Receivables and other assets				
1. Trade receivables	37,179	7.2	58,768	11.8
2. Receivables from affiliated companies	1,860	0.4	4,005	0.8
3. Other assets	1,945	0.4	2,066	0.4
	40,984	8.0	64,839	13.0
III. Cash-in-hand, bank balances	52,120	10.1	54,911	11.1
	93,150	18.1	119,796	24.1
C. PREPAID EXPENSES	28,802	5.6	27,231	5.5
	513,706	100.0	496,453	100.0

merged with Borussia Dortmund GmbH & Co. KGaA on 1 July 2018. This was offset by disposals amounting to EUR 23,477 thousand and depreciation amounting to EUR 87,511 thousand. The figure also included EUR 10,476 thousand in write-downs and a reversal of write-downs in the amount of EUR 3,127 thousand.

Current assets amounted to EUR 93,150 thousand, down EUR 26,646 thousand from the figure as at 30 June 2018. This was due in particular to the decrease in trade receivables to EUR 37,179 thousand (previous year: EUR 58,768 thousand) and the cash-in-hand, bank balances item, which declined by

BALANCE SHEET

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EQUITY AND LIABILITIES	30.06.2019		30.06.2018	
	EUR '000	Shareholding %	EUR '000	Shareholding %
A. EQUITY				
I. Subscribed capital	92,000	17.9	92,000	18.5
less nominal value of treasury shares	-19	0.0	-19	0.0
Issued capital	91,981	17.9	91,981	18.5
II. Capital reserves	144,337	28.1	144,337	29.1
III. Revenue reserves				
1. Reserve for treasury shares	19	0.0	19	0.0
2. Other revenue reserves	127,337	24.8	106,451	21.5
	127,356	24.8	106,470	21.5
IV. Other revenue reserves	25,844	5.0	26,405	5.3
	389,518	75.8	369,193	74.4
B. PROVISIONS				
1. Provisions for taxes	807	0.1	1,946	0.4
2. Other provisions	12,165	2.4	15,763	3.2
	12,972	2.5	17,709	3.6
C. LIABILITIES				
1. Trade payables	60,602	11.8	62,259	12.5
2. Liabilities to affiliated companies	461	0.1	1,376	0.3
3. Other liabilities	25,031	4.9	17,582	3.5
of which from taxes: EUR 7,973 thousand (previous year: EUR 11,207 thousand)				
of which in relation to social security: EUR 36 thousand (previous year: EUR 29 thousand)				
	86,094	16.8	81,217	16.3
D. DEFERRED INCOME	25,122	4.9	28,334	5.7
	513,706	100.0	496,453	100.0

EUR 2,791 thousand year on year from EUR 54,911 thousand to EUR 52,120 thousand. The decrease in trade receivables was due mainly to income from transfer receivables in the reporting period. Receivables from affiliated companies also declined, by EUR 2,145 thousand to EUR 1,860 thousand.

Prepaid expenses rose by EUR 1,571 thousand to EUR 28,802 thousand in the reporting period.

Share capital remained level at EUR 92,000 thousand as at 30 June 2019.

Taking into account net income for the year, Borussia Dortmund's equity amounted to EUR 389,518 thousand as at 30 June 2019. This corresponds to an equity ratio of 75.83% (previous year: 74.37%).

The increase in equity is due to the net income for the year of EUR 25,844 thousand and a dividend distribution of EUR 5,519 thousand.

Provisions declined by a total of EUR 4,737 thousand to EUR 12,972 thousand (previous year: EUR 17,709 thousand), of which other provisions decreased by EUR 3,598 thousand to EUR 12,165 thousand; this is due primarily to the decline in staff-related provisions. Tax provisions decreased by EUR 1,139 thousand to EUR 807 thousand.

Liabilities increased by a total of EUR 4,877 thousand to EUR 86,094 thousand, which was mainly attributable to other liabilities.

At EUR 60,602 thousand, trade payables remained below with the prior-year figure of EUR 62,259 thousand. Liabilities to affiliated companies also declined, from EUR 1,376 thousand in the previous year to EUR 461 thousand.

By contrast, other liabilities increased by EUR 7,449 thousand to EUR 25,031 thousand, due mainly to higher employee obligations not yet due.

Deferred income declined by EUR 3,212 thousand to EUR 25,122 thousand. This reflects the annual amortisation of advance payments for agency and marketing rights.

ANALYSIS OF CAPITAL EXPENDITURE

In the past financial year, Borussia Dortmund invested EUR 130,160 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 8,873 thousand and primarily include investments in the Brackel training ground in connection with the project to expand BVB's training centre and to improve technical equipment as well as investments in and around SIGNAL IDUNA PARK for upgrades, expansions and operating and office equipment.

The focus of future investments will firstly 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 will involve acquiring further adjacent land and opening new pitches.

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.

ANALYSIS OF LIQUIDITY

As at 30 June 2019, Borussia Dortmund held unrestricted cash funds of EUR 52,120 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 balance sheet date.

Cash flows from operating activities amounted to EUR 143,692 thousand and are calculated as follows:

in TEUR	2018/2019	2017/2018
Net income/net loss for the period	25.844	26.405
Depreciation, amortisation and write-downs of fixed assets	87.511	88.425
Non-cash expenses and income	9.451	39.137
Increase/decrease in provisions	-3.580	3.660
Interest expense	2.716	4.524
Interest income	-1.003	-551
Income tax expense	1.502	2.931
Loss on disposal of fixed assets	14	263
Decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	21.759	5.818
Increase/decrease in trade payables and other liabilities not attributable to investing or financing	2.312	-12.028
Income taxes paid	-2.834	-1.723
Cash flows from operating activities	143.692	156.861

NET ASSETS

Borussia Dortmund's total assets increased from EUR 496,453 thousand to EUR 513,706 thousand.

Fixed assets increased by EUR 42,328 thousand, due in particular to investments in player registrations.

Trade and other financial receivables decreased by EUR 23,855 thousand to EUR 40,984 thousand as at the balance sheet date.

In addition to prepayments for other services, prepaid expenses primarily include future personnel expenses amounting to EUR 24,367 thousand

(previous year: EUR 20,818 thousand).

Beginning in financial year 2018/2019, prepaid agent and brokerage commissions and expenses in connection with contract extensions and subsequent costs for players acquired on free transfers are no longer recognised under prepaid expenses but as intangible fixed assets.

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT

Borussia Dortmund ended the 2018/2019 financial year with net income for the year of EUR 25,844 thousand.

Taking into account the net income for the year, the equity ratio is calculated at 75.83%. As at 30 June 2019, Borussia Dortmund held unrestricted cash funds of EUR 52,120 thousand. As at the

balance sheet date, Borussia Dortmund had access to an additional EUR 30,000 thousand in overdraft facilities which had not been drawn down.

Overall, business development during financial year 2018/2019 was positive.

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 12 thousand (unchanged); 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.

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		
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 19 (previous year: 18) 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 previous eight main categories (strategic risk, personnel risk, macroeconomic risk, competitive risk, liquidity risk, interest rate risk, credit risk and resources risk) were expanded by one (ecological risk) and are presented and explained in greater detail below.

All 61 risks that could have a direct impact on the Company fall within these categories. In addition to the 58 risks in the previous year, four new risks were added and one risk was removed.

In addition to the 18 risks classified as high priority during the reporting period, the risk of consequential

damage arising from mining was added; no risks were removed.

The following is a discussion of the 19 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 financial year, Borussia Dortmund again held several roadshows in Europe and the United States 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.

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 practices 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 the past year in particular, 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.

The entry into force of the EU General Data Protection Regulation in May 2018 meant that companies had to review and bring their business processes in line with the new requirements.

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 or even excessive stress.

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.

This category includes five high priority risks:

Borussia Dortmund has classified unfavourable macroeconomic developments, particularly high unemployment and slow economic growth, as the first risk in this category. The German Institute for Economic Research, the Ifo Institute for Economic Research and RWI Essen again expect the economic recovery to be muted and therefore once more lowered their economic forecasts for Germany. All institutes have observed a decline in exports on account of recent political developments.

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 ensure that the atmosphere in and outside the stadium is welcoming, cosmopolitan and diverse.

The increased willingness of certain individuals to commit violence 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. Despite these security measures, fans of

Hertha BSC clashed with police at the Bundesliga match between Borussia Dortmund and Hertha BSC. 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 the dispute about who should cover the costs of providing security at home matches, the Federal Administrative Court (*Bundesverwaltungsgericht*) has remitted the case to the Higher Administrative Court (*Oberverwaltungsgericht*) of Bremen. In the court's opinion, the Higher Administrative Court did not sufficiently clarify certain facts. The Higher Administrative Court must now clarify the unresolved questions and rule anew on the action brought against the fee schedule, taking into account the legal opinion of the Federal Administrative Court.

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. In addition to the social networks that Borussia Dortmund uses for marketing and communication purposes, the social networks used by BVB employees also pose risks. Social media guidelines were drawn up for all Borussia Dortmund employees in order to safeguard the Company's image and prevent the unauthorised disclosure of internal information. In order account for the increasing importance of this risk, Borussia Dortmund has, with immediate effect, charged both the Communications and the Sales & Marketing departments with managing the risk.

Category 4 – competitive risk

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

This category includes six high priority risks:

The risk of being relegated to the second Bundesliga is a risk that would result in a significant negative financial impact. If it becomes increasingly likely that this may occur, the response to this risk is to draw up worst-case scenarios on the assumption of relegation, and to enter into more flexible and more heavily performance-based contracts.

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.

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.

The fourth risk in this category is the risk of a potential stadium catastrophe. As was previously the case, catastrophes in stadiums cannot be ruled out. 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 to provide security at the stadium. To this end, Borussia Dortmund has established a dedicated security department.

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 the risk of structural defects to SIGNAL IDUNA PARK as a high priority risk.

The risk of consequential damage arising from mining, which also affects SIGNAL IDUNA PARK, was added as a new 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. The club plans to survey and test the ground. However, this work has not yet begun because of suspicions that explosive ordinances are buried near the adjacent railway line. The ground surveys will reveal whether this extremely important logistics site will need to be reinforced or whether relatively minor measures to stabilise the ground will suffice.

Category 5 – liquidity risk

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

This category includes two 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. 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. 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.

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. In addition to the prestige associated with the UEFA Champions League, the new models for distributing TV marketing income and the significantly higher pay-outs are what make participating in the competition so lucrative.

The team was successfully rebuilt in the past season and the associated expectations that this would improve the professional squad were met. In year two of the project, which included bringing in Lucien Favre as head coach, Sebastian Kehl as Head of the Professional Squad and Matthias Sammer as an external advisor, and transforming the squad, Borussia Dortmund believes that there is further room for improvement. Over the past year, everyone in Sports worked together as one team, changes were initiated and opportunities were identified. In addition to steadily fine-tuning the sporting foundation, changes were also made to the squad. The return of Mats Hummels is intended to stabilise Borussia Dortmund's defence in the long term. Furthermore, Borussia Dortmund sees the signing as an opportunity to strengthen the team off the pitch as well and to contribute to the development of young talents such as Mateu Morey. Borussia Dortmund wants to seize

the opportunity and improve its chances of winning the title in the new season by making the team more robust, adding experienced players and injecting young, up-and-coming talent into the mix.

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. Accordingly, the club made concerted efforts to align the work of the Evonik football academy with that of the youth academy. In addition to the development of new concepts, decentralised locations were opened with partner clubs in order to improve the chances of discovering new talent. Professionalising the work of the youth academy goes hand in hand with its physical expansion. The number of students residing at the youth academy will double. In addition, Borussia Dortmund also appointed Michael Skibbe as the U19 coach and brought in Otto Addo in the newly created role of "talent coach" to help promote talented youngsters to the senior team.

Borussia Dortmund continues to push ahead with its internationalisation efforts. The use of virtual advertising boards not only generates direct sales streams but also helps establish new contacts and partnerships, especially in Asia. Borussia Dortmund considers Asia in particular to be a further growth

market. Borussia Dortmund uses its representative offices in Singapore and Shanghai to cater to its fans and react to market developments in Asia. Restructuring the social media department to keep up with the pace of digitalisation is a key component in unlocking the potential of foreign markets. Internally, Borussia Dortmund has already positioned itself more broadly and professionally in this respect.

In addition to leveraging marketing potential and increasing its brand awareness internationally, Borussia Dortmund continually seeks to be a driver of progress and a source of pride amongst its fans in

the heart of Dortmund. The construction of the fan and youth centre is another important sign that Borussia Dortmund wants to grow, seeks opportunities and does not expect a downturn any time soon.

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 EARNINGS TREND

Borussia Dortmund is returning to the UEFA Champions League in the coming 2019/2020 season. The team qualified directly for the lucrative group stage of the competition by virtue of its second-place finish last season. The club is thus continuing its run of successive appearances in international competitions, which stretches back to the 2010/2011 season and now includes two appearances in the UEFA Europa League and eight in the UEFA Champions League.

Success on the pitch also goes hand in hand with financial performance. Borussia Dortmund again demonstrated its economic stability during the year as it generated net profit for the year for the ninth consecutive time.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

The key predictable factor used to forecast the expected general economic environment is the income from TV marketing. At the national level, DFL Deutsche Fußball Liga reported record sales for the 14th year running. 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 proceeds could exceed EUR 6 billion. The price paid for the national TV rights is an 85% increase on the deal. In addition to the income from national TV marketing, participation in international club competitions is a key driver of Borussia Dortmund's profitability. 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 alone continues to place Borussia Dortmund in a better financial position.

Playing and advancing 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.

The marketing of digital advertising can be seen as a result of this development. During the 2018/2019 season, Borussia Dortmund was the only club in the Bundesliga to market virtual

advertising, primarily in Asia, at home matches. This brought Borussia Dortmund in contact with new customers. Borussia Dortmund believes there is even more potential to generate sales using this form of marketing. Moreover, LED advertising boards will be installed in the upper west, north and south stands at SIGNAL IDUNA PARK, which will offer additional potential to generate sales during the 2019/2020 season.

Borussia Dortmund has partnered with Amazon Prime Video to broadcast a documentary series in more than 200 countries in the 2019/2020 season. This is yet more proof that the club's internationalisation strategy and appeal translate into economic success.

Continuity remains the focus of Borussia Dortmund's approach to marketing advertising space.

A majority of the advertising income 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 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. Due to the high demand for season tickets, the number of no-shows per season ticket will be recorded beginning with the new season. By doing so, Borussia Dortmund wants to make the process

fairer for fans who do not hold season tickets and increase their chances of obtaining tickets for matches at SIGNAL IDUNA PARK.

The product range strategy was revamped, leading to a positive sales trend at BVB Merchandising GmbH. By rolling out (new) products during the season more frequently and placing a greater focus on the latest trends, fans are spurred on to visit the fan shops and online shop more often, resulting in higher sales.

Transfer deals are an important part of Borussia Dortmund's business and, as in previous years, represent a significant source of sales. 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 sales regardless of the club's sporting success. Consequently, transfer deals are always assessed against the background of the current season and are thus difficult to forecast. 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.

EXPECTED RESULTS OF OPERATIONS

Expected earnings trend

Given that transfer income is extremely volatile and also difficult to plan, but usually also associated with high contributions to earnings, a decidedly conservative approach is taken when factoring such income into this earnings forecast. At the same time, market-related increases in the cost of players, which consequently weigh down earnings due to amortisation of intangible fixed assets in the respective subsequent years, must be recorded and thus have a pronounced effect on this earnings forecast.

Furthermore, the club pursues a conservative approach when factoring success on the pitch and any associated earnings contributions into the forecast.

Against this backdrop and despite positive market developments, management currently forecasts that Borussia Dortmund will generate a net profit in the low seven-figure range for the upcoming 2019/2020 financial year. This can increase significantly in line with the team's sporting success or if the club generates surpluses from transfer deals that are not factored into the forecast.

Based on these forecast assumptions, the net profit for the year is expected to amount to approximately EUR 2,500 thousand. EBIT is expected to be EUR 3,000 thousand lower. Depreciation, amortisation and write-downs are expected to exceed EUR 80,000 thousand, with the operating result (EBITDA) forecast to exceed the result from operating activities (EBIT) by this amount.

Expected sales trend

In the financial year ended, Borussia Dortmund's sales decreased by 9.89% to EUR 446,030 thousand, due primarily to the decline in transfer deals by EUR 102,529 thousand. Given that transfer income is

extremely volatile and difficult to plan, Borussia Dortmund takes a conservative approach (using past experience and prior-year figures) to factoring this income into the sales forecast for the 2019/2020 financial year. Against this backdrop and given the expectations of a highly favourable market environment in which income from TV marketing will continue to increase significantly, Borussia Dortmund expects total sales to amount to approximately EUR 440,000 thousand for the 2019/2020 financial year.

Expected trend for significant operating expenses

Cost management continues to be Borussia Dortmund's highest priority. 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 those expenditures are always commensurate with the club's success.

Borussia Dortmund expects personnel expenses to increase in the coming financial year due to the rising costs for the professional squad resulting from fierce competition across Europe's leagues. We have already begun to benefit from the efforts we took in the previous season to rebuild the team. This included assigning new areas of responsibility and hiring additional staff. Borussia Dortmund will continue to pursue its strategy of professionalising the support team it has in place for its professional squad.

EXPECTED DIVIDEND

The management will recommend to the Annual General Meeting that it resolve to use the net retained profits of EUR 29,761 thousand for financial year 2018/2019 to distribute a dividend of EUR 0.06

per share carrying dividend rights for financial 2018/2019 and to transfer the remainder to other revenue reserves.

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. Therefore, the Group will invest in particular in the professional squad as well as SIGNAL IDUNA PARK, the adjoining infrastructure and especially the training ground.

Investments in the upcoming season will focus primarily on expanding the training ground in Brackel. Since opening in 2006, the training ground has been expanded in five phases. In the next phase, the training ground will be expanded to house a portion of the administration and communication functions that primarily focus on the footballing aspects of the business. Ultimately, the centralisation will unite and further professionalise all footballing functions. Consolidation in all aspects of sport facilitates both control and the organisational effort. The strategic planning is designed in such a way that further construction measures can be implemented in the coming years.

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.

In addition to the annual maintenance and modernisation measures, technological investments will be made in SIGNAL IDUNA PARK in the upcoming season, including installing LED advertising boards in the stadium's upper stands. Another major project will be the stadium's floodlights. After the illumination levels are modified, Borussia Dortmund will meet any and all requirements imposed by football associations and the league and will be able to host matches for the 2024 European Championship.

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

Borussia Dortmund expects cash flows from operating activities in financial year 2019/2020 to amount to EUR 135 million. This figure may deviate significantly 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. Free cash flow is expected to amount to EUR 30 million.

OVERALL ASSESSMENT OF EXPECTED PERFORMANCE

The cumulative sales generated by the Bundesliga increased for the 14th consecutive year. The market environment for German and European professional football continues to offer excellent opportunities for economic growth.

Social developments in the age of digitalisation will present challenges not only to Borussia Dortmund but also to all of professional football, but will also offer opportunities for further growth. The

continuing internationalisation in almost all areas will further stimulate the general economic environment. The 2024 European Championship will also have an effect on the developments in the coming years, primarily with respect to investments in infrastructure.

With strong partners at its side, Borussia Dortmund expects its financial performance to remain strong in the future.

OTHER DISCLOSURES

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

REPORT IN ACCORDANCE WITH § 289 (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 2019, 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 2019:

- 1) Evonik Industries AG, Essen, Germany: 14.78% of the voting rights
- 2) Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 14.86% of the voting rights (of which 5.53% held directly and 9.33% 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: 14.86% of the voting rights (of which 9.33% 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. The general partner is authorised until 23 November 2019, with the approval 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 (Authorised Capital 2014). The limited liability shareholders have a statutory pre-emptive right over new shares issued by the Company. Such new shares may also be subscribed by a bank or a company in accordance with § 53 (1) sentence 1 or § 53b (1) sentence 1 or (7) of the German Banking Act (*Kreditwesengesetz*,

"KWG") if it agrees to offer them to the limited liability shareholders for subscription. However, the general partner is authorised, with the approval of the Supervisory Board, to decide to disapply the statutory pre-emptive subscription rights of the limited liability shareholders. Pre-emptive subscription rights may be disappplied

- a) with respect to fractional amounts arising as a consequence of subscription ratios;
- b) in the event of capital increases against cash contributions up to a total amount of 10% of the share capital existing on the date of registration of the Authorised Capital 2014 or, if lower, 10% of the share capital existing on the date of exercise of the authorisation (in each case taking into account any other authorisations made use of during the effective period of this authorisation for the disapplication of pre-emptive subscription rights pursuant to or through the corresponding application of § 186 (3) sentence 4 of the AktG), provided the issue amount of the new shares does not fall significantly below the market price;
- c) in the event of capital increases against in-kind contributions, particularly for the purpose of acquiring companies, equity investments, real estate, rights and claims against the Company.

The general partner is authorised, with the approval of the Supervisory Board, to determine the further details of the capital increase and the terms and conditions of the share issue. In the event of a takeover bid for shares issued by the Company and admitted to trading on a

regulated market, the general statutory responsibilities and powers apply to the general partner in other respects. For example, if a takeover bid were to be received, the general partner and the Supervisory Board would be required to issue and publish a response to the bid, giving their reasons, in accordance with § 27 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, "WpÜG") to enable the limited liability shareholders to make a decision on the bid on an informed basis. Moreover, in accordance with § 33 WpÜG, once a takeover bid has been announced, the general partner may not take any actions outside the ordinary course of business that could frustrate the success of the bid, unless those actions have been authorised by the Annual General Meeting, or the Supervisory Board has given its approval of the actions or the actions relate to obtaining a competing bid. In making their decisions, the general partner and the Supervisory Board are bound to have regard to the interests of the Company, its employees and its shareholders. At the balance sheet date, the Articles of Association did not contain any provisions within the meaning of §§ 33a – 33c WpÜG (European prohibition on frustrating action, European breakthrough rule, reservation of reciprocity).

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, 13 August 2019

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

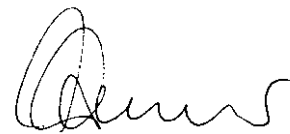
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



ANNUAL FINANCIAL STATEMENTS

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



ANNUAL FINANCIAL STATEMENTS for the period from 1 July 2018 to 30 June 2019

BALANCE SHEET

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	30/06/2019	30/06/2018
ASSETS		
A. FIXED ASSETS		
I. Intangible fixed assets		
1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	182,484	140,169
2. Prepayments	1,974	0
	184,458	140,169
II. Tangible fixed assets		
1. Land, land rights and buildings including buildings on third-party land	177,799	180,975
2. Other equipment, operating and office equipment	16,858	13,558
3. Prepayments and assets under construction	896	954
	195,553	195,487
III. Long-term financial assets		
1. Shares in affiliated companies	11,596	13,607
2. Equity investments	96	96
3. Other loans	51	67
	11,743	13,770
	391,754	349,426
B. CURRENT ASSETS		
I. Inventories		
1. Merchandise	46	46
II. Receivables and other assets		
1. Trade receivables	37,179	58,768
2. Receivables from affiliated companies	1,860	4,005
3. Other assets	1,945	2,066
	40,984	64,839
III. Cash-in-hand, bank balances		
	52,120	54,911
	93,150	119,796
C. PREPAID EXPENSES		
	28,802	27,231
	513,706	496,453

EUR '000	30/06/2019	30/06/2018
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	127,337	106,451
	127,356	106,470
IV. Net retained profits	25,844	26,405
	389,518	369,193
B. PROVISIONS		
1. Provisions for taxes	807	1,946
2. Other provisions	12,165	15,763
	12,972	17,709
C. LIABILITIES		
1. Trade payables	60,602	62,259
2. Liabilities to affiliated companies	461	1,376
3. Other liabilities	25,031	17,582
of which from taxes: EUR 7,973 thousand (previous year: EUR 11,207 thousand)		
of which in relation to social security: EUR 36 thousand (previous year: EUR 29 thousand)		
	86,094	81,217
D. DEFERRED INCOME	25,122	28,334
	513,706	496,453

INCOME STATEMENT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

EUR '000	01/07/2018 – 30/06/2019	01/07/2017 – 30/06/2018
1. Sales	446,030	494,972
2. Other own work capitalised	21	0
3. Other operating income	15,914	3,065
	461,965	498,037
4. Personnel expenses		
a) Wages and salaries	-187,825	-169,253
b) Social security, post-employment and other employee benefit costs of which for post-employment: EUR 280 thousand (previous year: EUR 280 thousand)	-5,861	-5,248
	-193,686	-174,501
5. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	-90,638	-88,425
6. Other operating expenses	-153,288	-204,810
7. Income from profit and loss transfer agreements - all of which from affiliated companies -	5,016	3,283
8. Other interest and similar income of which from compounding: EUR 998 thousand (previous year: EUR 539 thousand)	1,003	551
9. Interest and similar expenses of which from discounting: EUR 271 thousand (previous year: EUR 1,203 thousand)	-2,716	-4,524
10. Earnings before taxes	27,656	29,611
11. Taxes on income	-1,502	-2,931
12. Earnings after taxes	26,154	26,680
13. Other taxes	-310	-275
14. Net income for the year/Net retained profits	25,844	26,405

**NOTES Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund
for the financial year from 1 July 2018 to 30 June 2019**

(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 2018 to 30 June 2019 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

Deviations in the accounting policies

The respective figures in the financial statements were restated in accordance with § 253 (1) HGB in conjunction with German Accounting Standard DRS 24 in financial year 2018/2019 due to the necessary change in the accounting policy applicable to agent and brokerage commissions for contract extensions and the initial recognition of players acquired on free transfers, which had previously been reported under prepaid expenses and reversed to other operating expenses, taking into account payments subject to a condition precedent.

Agent and brokerage commissions and expenses for contract extensions and the initial recognition of players acquired on free transfers are now recognised as intangible fixed assets on the date the conditions are met. The intangible fixed assets are amortised on a straight-line basis over the remaining term of the individual contracts.

The resulting adjustments to the relevant items in these annual financial statements were made in accordance with no. 21 of Accounting Principle (AcP) HFA 6 promulgated by Institut der Wirtschaftsprüfer in Deutschland e.V. (Institute of Public Auditors in Germany).

This change in accounting treatment entailed recognising intangible fixed assets at cost in the amount of EUR 10,658 thousand, which caused the residual carrying amount to increase by EUR 1,902 thousand. The change also resulted in a EUR 8,071 thousand increase in other operating income.

Overview of the 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. In addition to the license fee received in the course of a true sale of receivables in financial year 2007/2008 from the marketing company Lagardère Sports Germany GmbH for the entire term of the agreement, deferred income also includes payments received from match operations, catering and advertising for the 2019/2020 season. 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	30/06/2019	30/06/2018
Intangible fixed assets	184,458	140,169
Tangible fixed assets	195,553	195,487
Long-term financial assets	11,743	13,770
	391,754	349,426

Intangible fixed assets

Intangible fixed assets amounted to EUR 184,458 thousand. These consist of purchased player registrations (EUR 182,136 thousand; previous year: EUR 139,854 thousand), trademark rights, computer software and prepayments; the additions in financial year 2018/2019 amounted to EUR 143,536 thousand. The player registrations include additions of EUR 141,594 thousand due to the signings of the players Abdou Diallo, Thomas Delaney, Axel Witsel, Leonardo Balerdi and Marius Wolf, as well as subsequent costs for existing player registrations. The additions also included a transfer of the intangible fixed assets of Sports & Bytes GmbH, which was merged with Borussia Dortmund GmbH & Co. KGaA by way of a group merger as at 1 July 2018.

This was partly offset by amortisation and write-downs of EUR 77,871 thousand in the reporting period. The figure also included EUR 10,476 thousand in write-downs of intangible fixed assets to their fair values, and a reversal of write-downs in the amount of EUR 3,127 thousand.

The carrying amounts of players Christian Pulisic, Andriy Yarmolenko, Sokratis Papastathopoulos and Nuri Sahin were derecognised as a result of transfers.

Tangible fixed assets

Tangible fixed assets amounted to EUR 195,553 thousand as at the reporting date. This item includes the stadium property (EUR 131,860 thousand) and land (EUR 27,750 thousand).

Tangible fixed assets also included EUR 8,157 thousand in fixtures, operating and office equipment related to SIGNAL IDUNA PARK.

The EUR 9,901 thousand in additions to tangible fixed assets in the past financial year related mainly to the following:

Investments amounting to EUR 3,838 thousand were made to further improve the training conditions and technical equipment at the training ground in Brackel. The investments focused on extending the current pitches and 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 will involve acquiring further adjacent land and opening new pitches.

EUR 3,419 thousand was invested in SIGNAL IDUNA PARK. In addition to expanding various levels and fitting out a room to be used for medical purposes, the work primarily focused on modernising the stadium's floodlights to bring them into line with the latest DFL requirements. Investments were also made in the security and catering areas.

In addition, various renovation work was carried out on the administration building and football academy.

EUR 301 thousand in additions to tangible fixed assets were recognised due to the merger of Sports & Bytes GmbH with Borussia Dortmund GmbH & Co. KGaA.

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 and BVB Asia Pacific Pte. Ltd., as well as the 33.33% shareholding in Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH.

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.

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 30/06/2019
	As at 30/06/2018	Sports & Bytes GmbH As at 30/06/19	Additions	Reclassification	Disposals	
I. Intangible fixed assets						
1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	275,006	0	141,562	0	47,913	368,655
2. Prepayments	0	223	1,751	0	0	1,974
	275,006	223	143,313	0	47,913	370,629
II. Tangible fixed assets						
1. Land, land rights and buildings including buildings on third-party land	217,637	0	1,923	1,286	0	220,846
2. Other equipment, operating and office equipment	39,142	301	6,204	245	123	45,769
3. Prepayments and assets under construction	954	0	1,473	-1,531	0	896
	257,733	301	9,600	0	123	267,511
III. Long-term financial assets						
1. Shares in affiliated companies	13,607	0	0	0	2,011	11,596
2. Equity investments	96	0	0	0	0	96
3. Other loans	67	0	2	0	18	51
	13,770	0	2	0	2,029	11,743
	546,509	524	152,915	0	50,065	649,883

ANNUAL FINANCIAL STATEMENTS
for the financial year from 1 July 2018 to 30 June 2019

Change in depreciation, amortisation and write-downs							Carrying amounts		
As at 30/06/2018	Sports & Bytes GmbH As at 30/06/2018	Additions	Write-downs	Reversals of write-downs	Disposals	As at 30/06/2019	As at 30/06/2019	As at 30/06/2018	
134,837	0	70,522	10,476	3,127	26,537	186,171	182,484	140,169	
0	0	0	0	0	0	0	1,974	0	
134,837	0	70,522	10,476	3,127	26,537	186,171	184,458	140,169	
36,662	0	6,385	0	0	0	43,047	177,799	180,975	
25,584	123	3,255	0	0	51	28,911	16,858	13,558	
0	0	0	0	0	0	0	896	954	
62,246	123	9,640	0	0	51	71,958	195,553	195,487	
0	0	0	0	0	0	0	11,596	13,607	
0	0	0	0	0	0	0	96	96	
0	0	0	0	0	0	0	51	67	
0	0	0	0	0	0	0	11,743	13,770	
197,083	123	80,162	10,476	3,127	26,588	258,129	391,754	349,426	

Current assets

Current assets are made up as follows:

EUR '000	30/06/2019	30/06/2018
Inventories	46	46
Trade receivables	37,179	58,768
Receivables from affiliated companies	1,860	4,005
Other assets	1,945	2,066
Cash-in-hand, bank balances	52,120	54,911
	93,150	119,796

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

Trade receivables includes transfer receivables amounting to EUR 32,804 thousand (previous year: EUR 55,256 thousand).

Trade receivables with a term of more than one year amounted to EUR 9,892 thousand (previous year: EUR 39,653 thousand).

The other assets mainly include tax assets. 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 28,802 thousand include primarily prepayments for personnel expenses in connection with contract extensions amounting to EUR 24,367 thousand (previous year: EUR 20,818 thousand).

Equity

EUR '000	30/06/2019	30/06/2018
Issued capital	91,981	91,981
Capital reserves	144,337	144,337
Revenue reserves	127,356	106,470
Net retained profits	25,844	26,405
	389,518	369,193

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 in %	Selling price EUR
07/2018 – 12/2018	0				0,00
As at 31/12/2018		18,900	18,900,00	0.021	
01/2019 – 06/2019	0				0,00
As at 30/06/2019		18,900	18,900,00	0.021	

On 24 November 2014, the Annual General Meeting of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien resolved to issue a new authorisation, with the consent of the Supervisory Board, to increase the share capital on one or more occasions by or before 23 November 2019 by up to EUR 23,000,000.00 ("Authorised Capital 2014"). To this end, the statutory pre-emptive subscription rights of the limited liability shareholders may be disapplied:

- a) with respect to fractional amounts arising as a consequence of subscription ratios;
- b) in the event of capital increases against cash contributions up to a total amount of 10% of the share capital existing on the date of registration of the Authorized Capital 2014 or, if lower, 10%
- c) in the event of capital increases against in-kind contributions, particularly for the purpose of acquiring companies, equity interests, real estate, rights and claims against the company.

The change in reserves was as follows:

Change in reserves

EUR '000	01/07/2018	Additions	Withdrawals	30/06/2019
Capital reserves	144,337	0	0	144,337
Revenue reserves	106,470	20,886	0	127,356
	250,807	20,886	0	271,693

The annual financial statements for the financial year from 1 July 2017 to 30 June 2018 were adopted at the Annual General Meeting on 26 November 2018. 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 on 29 November 2018.

Changes in equity were as follows:

Changes in equity

EUR '000	30/06/2018	Additions/ withdrawals	Dividend	Net income for the year	30/06/2019
Issued capital	91,981	0	0	0	91,981
Capital reserves	144,337	0	0	0	144,337
Revenue reserves	106,470	20,886	0	0	127,356
Net retained profits	26,405	-20,886	-5,519	25,844	25,844
	369,193	0	-5,519	25,844	389,518

Provisions

EUR '000	30/06/2019	30/06/2018
Provisions for taxes	807	1,946
Other provisions	12,165	15,763
	12,972	17,709

Provisions for taxes amounted to EUR 807 thousand and include mainly the tax obligations from the past financial year. Other provisions include primarily staff-related

obligations (EUR 2,849 thousand), provisions for outstanding invoices (EUR 4,022 thousand) and provisions for taxes on profits (EUR 2,419 thousand).

Deferred taxes

Deferred tax assets and liabilities based on differences in the carrying amounts of tangible fixed assets in the financial accounts and the tax accounts are netted against each other. 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 2019 are shown in the following overview:

EUR '000	Total 30/06/2019	of which with a residual term of		
		less than 1 year	1 – 5 years	more than 5 years
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

EUR '000	Total 30/06/2018	of which with a residual term of		
		less than 1 year	1 – 5 years	more than 5 years
Trade payables	62,259	52,535	9,724	0
Liabilities to affiliated companies	1,376	1,376	0	0
Other liabilities	17,582	15,032	2,550	0
of which from taxes EUR 11,207 thousand (previous year: EUR 14,786 thousand)				
of which social security EUR 29 thousand (previous year: EUR 19 thousand)				
	81,217	68,943	12,274	0

As at 30 June 2019, trade payables amounted to EUR 60,602 thousand, of which EUR 48,521 thousand (previous year: EUR 54,475 thousand) related to transfer deals. Trade payables with a residual term of more than one year amounted to EUR 1,500 thousand (previous year: EUR 9,724 thousand). Other liabilities consisted mainly of wage and value added tax not yet due, staff-related liabilities not yet

due as well as fees received on behalf of third parties. Other liabilities with a residual term of more than one year amounted to EUR 7,205 thousand (previous year: EUR 2,550 thousand).

They also include liabilities to the general partner amounting to EUR 1,337 thousand (previous year: EUR 599 thousand).

Deferred income

Deferred income includes licence fees received in financial year 2007/2008 from the marketing company Lagardère Sports Germany GmbH for the 12-year term of the agency licensing agreement,

as well as payments received from match operations, catering and advertising for the 2019/2020 season. The amounts are reversed rateably over the periods to which they relate.

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 30/06/2019	of which with a residual term of		
		less than 1 year	1 – 5 years	more than 5 years
Marketing fees	58,311	21,962	23,777	12,572
Rental and leasing	9,854	3,406	6,448	0
Other financial obligations	3,625	786	1,845	994
Purchase commitments	147,450	72,850	74,600	0
	219,240	99,004	106,670	13,566

Furthermore, there are contingent liabilities from guarantees related to BVB Merchandising GmbH (EUR 311 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 57,236 thousand in variable payment obligations under existing agreements with conditions precedent were reported as at 30 June 2019, of which EUR 31,983 thousand had a residual term of less than one year.

Derivative financial instruments

No derivative financial instruments were employed as at the 30 June 2019 reporting date.

NOTES TO THE INCOME STATEMENT

Sales

EUR '000	2018/2019	2017/2018
Match operations	44,659	42,322
Advertising	96,846	93,994
TV Marketing	167,349	122,293
Transfer deals	120,204	222,733
Conference, catering, miscellaneous	16,972	13,630
	446,030	494,972

Borussia Dortmund's sales declined by EUR 48,942 thousand to EUR 446,030 thousand in the 2018/2019 financial year and break down as follows:

Income from match operations increased by EUR 2,337 thousand to EUR 44,659 thousand in financial year 2018/2019.

Income from match operations for domestic competitions increased due to moderate price adjustments and a greater number of season ticket holders, as well as hosting two home matches in the national cup competition. Income from friendlies also increased, rising from EUR 3,250 thousand to EUR 6,069 thousand in the 2018/2019 financial year. In international competitions, income from match operations declined by EUR 1,655 thousand to EUR 7,480 thousand (previous year: EUR 9,135 thousand). A defeat against Tottenham Hotspur FC saw Borussia Dortmund knocked out of the round of 16 in the UEFA Champions League, unlike the previous season when the club had completed the group stage in the UEFA Champions League and subsequently played a further two matches in the Europa League.

In the financial year ended, Borussia Dortmund increased its advertising income by 3.03% to EUR 96,846 thousand (previous year: EUR 93,994 thousand), representing a share of 21.71% of total sales.

There was a significant increase in income from international advertising. Virtual advertising boards were established as a new sales stream. These display customised advertising in different markets during live broadcasts of matches.

Furthermore, advertising income includes bonuses primarily for the second-place Bundesliga finish, which directly qualified the team for the group stage of the UEFA Champions League in the 2019/2020 season, and for advancing to the round of 16 of the UEFA Champions League in financial year 2018/2019.

In financial year 2018/2019, income from TV marketing represented the highest share of sales (37.52%) and increased by EUR 45,056 thousand year on year to EUR 167,349 thousand. Only the income from domestic cup competitions declined. Income from domestic TV marketing amounted to EUR 98,110 thousand, up EUR 10,157 thousand against the prior-year reporting period. This is due to DFL Deutsche Fußball Liga GmbH's TV agreement, which came into force on 1 July 2017 and provides for annual increases. According to DFL's preliminary figures, 12.25% more was distributed for the 2018/2019 than in the past season.

The income from international TV marketing improved by 114.39% from EUR 31,752 thousand in the previous year to EUR 68,073 thousand in the

financial year ended. In financial year 2018/2019, Borussia Dortmund advanced to the round of 16 of the UEFA Champions League and as a result received a considerably higher starting fee than it had received for playing in the round of 32 and round of 16 of the UEFA Europa League in the previous year. This was also due to UEFA's new revenue distribution system.

As in the previous year, Borussia Dortmund was eliminated in the third round of the DFB Cup. In the 2018/2019 season, Borussia Dortmund did not compete in the DFL Super Cup. Income from domestic cup competitions thus amounted to EUR 1,162 thousand (previous year: EUR 2,578 thousand).

Income from transfer deals declined by EUR 102,529 thousand, amounting to EUR 120,204 thousand due

to the departures of Christian Pulisic to Chelsea FC, Sokratis Papastathopoulos to Arsenal FC and Andriy Yarmolenko to West Ham United as well as compensation stemming from transfer deals in previous financial years. The year-on-year decline in transfer income is due primarily to the remarkably high income that was generated from the transfers of the players Ousmane Dembélé to FC Barcelona and Pierre-Emerick Aubameyang to Arsenal FC during the 2017/2018 season.

Conference, catering and miscellaneous income amounted to EUR 16,972 thousand (previous year: EUR 13,630 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 improved by EUR 12,849 thousand year on year to EUR 15,914 thousand. In addition to compensation payments and insurance reimbursements, this item also included prior-

period income of EUR 11,063 thousand (previous year: EUR 391 thousand), attributable primarily to the change in the accounting policy with respect to the payment of agent fees.

Personnel expenses

In financial year 2018/2019, personnel expenses amounted to EUR 193,686 thousand (previous year: EUR 174,501 thousand).

EUR '000	2018/2019	2017/2018
Match operations	134,373	128,172
Retail and Administration	17,507	14,006
Amateur and youth football	9,200	8,845
	161,080	151,023

Furthermore, the professional squad received performance-based bonuses of EUR 32,606 thousand in financial year 2018/2019 (previous year: EUR 23,478 thousand). This was due to the team finishing

in second-place finish in the Bundesliga with 76 points and reaching the round of 16 of the UEFA Champions League, thereby automatically qualifying for the group stage of the competition in the 2019/2020 season.

Other operating expenses

EUR '000	2018/2019	2017/2018
Match operations	49,174	41,628
Advertising	25,876	24,401
Transfer deals	42,926	107,657
Retail	2,049	2,371
Administration	26,849	23,336
Other	6,414	5,417
	153,288	204,810

Other operating expenses decreased by EUR 51,522 thousand or 25.1% from EUR 204,810 thousand in the previous year to EUR 153,288 thousand in the reporting period.

Transfer deals declined by EUR 64,731 thousand to EUR 42,926 thousand. The carrying amounts of players Christian Pulisic, Andriy Yarmolenko, Sokratis Papastathopoulos and Nuri Sahin were derecognised as a result of transfers.

Other transfer payments decreased due to the change in the accounting policy.

Expenses from match operations increased by EUR 7,546 thousand to EUR 49,174 thousand. This increase is due to rising football association dues, enhanced

security measures during match operations, and repair, modernisation and renovation work in and around SIGNAL IDUNA PARK and the training ground.

Advertising expenses also increased by EUR 1,475 thousand to EUR 25,876 thousand. This was due to higher commissions to Lagardère Sports Germany GmbH and other advertising measures.

Administrative expenses also rose from EUR 23,336 thousand to EUR 26,849 thousand in the financial year ended. This increase was due primarily to the year-on-year rise in cost and profit allocations, higher travel expenses – attributable in part to the team's US tour and the tours of the US and Asia undertaken by BVB legends in their roles as brand ambassadors – as well as legal and consulting fees.

Financial result

The financial result for financial year 2018/2019 amounted to EUR 3,303 thousand (previous year: EUR -690 thousand) and breaks down as follows: Income from profit and loss transfer agreements amounted to EUR 5,016 thousand. These include the results of BVB Merchandising GmbH, BVB Event & Catering GmbH, BVB Stadionmanagement GmbH and besttravel dortmund GmbH. 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.

Furthermore, interest income of EUR 1,003 thousand was recognised. This includes compound interest of EUR 998 thousand.

Interest expenses amounted to EUR 2,716 thousand, primarily due to transfer deals.

Taxes on income

Taxes on income amounted to EUR 1,502 thousand (previous year: EUR 2,931 thousand) and consisted primarily of EUR 1,768 in tax expenses relating to

the financial year ended and offsetting tax assets from prior periods.

OTHER DISCLOSURES

Corporate Governance

The management and Supervisory Board of Borussia Dortmund GmbH & Co. KGaA issued the Declaration of Conformity with the German Corporate Govern-

ance Code required by § 161 of the German Stock Corporation Act (*Aktiengesetz*, "AktG") on 10 September 2018 and made it permanently available to shareholders on the website at www.bvb.de/aktie.

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	2018/2019	2017/2018
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	1,900	1,723
Other remuneration	38	44
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	934	784
Other remuneration	69	68
Carsten Cramer		
Fixed components		
Fixed remuneration	871	283
Other remuneration	52	17
	3,864	2,919

Based on the net profit for the year and the footballing success of the team, Hans-Joachim Watzke furthermore received EUR 720 thousand in performance-based remuneration (previous year: EUR 788 thousand). Based on the net profit for the

year, Thomas Treß received EUR 344 thousand in performance-based remuneration (previous year: EUR 314 thousand), and Carsten Cramer received EUR 344 thousand in performance-based remuneration (previous year: EUR 336 thousand).

SUPERVISORY BOARD

The names of the members of the Company's Supervisory Board in the 2018/2019 financial year, their occupations and their further responsibilities on other management bodies are listed below:

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				

RIGHT TO REMUNERATION 2018/2019 (EUR '000)

24	12	12	12	18	12	12	12	12
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OCCUPATIONS (as at 30 June 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 Hohenbuschei 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 30 June 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 Dortmund 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, Braband, Denmark Member of the Supervisory Board of Tchibo GmbH, Hamburg Member of the Supervisory Board of Pandora A/S, Copenhagen, Denmark (until 13 March 2019)	Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund
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Employees

The average number of employees during the year was 473 (previous year: 431):

Average number of salaried employees	2018/2019	2017/2018
Total	473	431
of which in the Athletics Department	269	257
of which trainees	4	4
of which other	200	170

List of shareholdings

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

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.

	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
Shares in affiliated 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
Equity investments					
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 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. Our auditors were also tasked with conducting a limited assurance

engagement on our separate non-financial Group report and advising us in connection with applying accounting standards for the first time, implementing the General Data Protection Regulation, and selecting an ERP system. 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 as at the 30 June 2019 reporting date, 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:

On 4 April 2018, Dimensional Holdings Inc., Austin, Texas, USA, filed notice that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.01% (2,770,661 shares) on 27 March 2018 and that under § 34 WpHG, all of those voting rights were attributable to Dimensional Holdings Inc.

On 16 March 2018, Dimensional Holdings Inc., Austin, Texas, USA, filed notice that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to

3.01% (2,770,661 shares) on 9 March 2018, as well as that under § 34 WpHG, 2.98% of the voting interest (2,745,825 shares) is attributable to Dimensional Holdings Inc. and that 0.03% of the voting interest (24,836 shares) was held under a right of recall in accordance with § 38 (1) sentence 1 no. 1 WpHG.

On 26 February 2018, Dimensional Holdings Inc., Austin, Texas, USA, filed notice that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.01% (2,770,661 shares) on 20 February 2018 and that under § 34 WpHG, all of those voting rights were attributable to Dimensional Holdings Inc.

Proposed appropriation of net profit

The management will recommend to the Annual General Meeting that it resolve to use the net retained profits of EUR 25,844 thousand for financial year 2018/2019 to distribute a dividend

of EUR 0.06 per share carrying dividend rights for financial 2018/2019 and to transfer the remainder to other revenue reserves.

Report on post-balance sheet date events

Transfer deals

Borussia Dortmund agreed to transfer Abdou Diallo to reigning French champions Paris Saint-Germain. He transferred with immediate effect.

Sebastian Rode also left Borussia Dortmund, transferring to Bundesliga rivals Eintracht Frankfurt. Alexander Isak will play for Real Sociedad in Spain's first division beginning in the 2019/2020 season.

Jeremy Toljan also left Borussia Dortmund on loan and will ply his trade in Italy with U.S. Sassuolo Calcio during the 2019/2020 season. FC Spartak Moscow in Russia secured a loan deal with a subsequent buy option for André Schürrle. Maximilian Philipp also left Borussia Dortmund and will play for FC Dynamo Moscow in Russia. Shinji Kagawa transferred to Real Zaragoza in Spain's Segunda División. Ömer Toprak is on loan to SV Werder Bremen for the 2019/2020 season.

Capital expenditure

Even before the new financial year had begun, Borussia Dortmund announced that it had signed four new players for the upcoming 2019/2020 season.

At 26 years of age, Nico Schulz arrived from TSG Hoffenheim to help shore up the midfield in the upcoming season. Borussia Dortmund landed another midfield reinforcement in Thorgan Hazard from Bundesliga rivals Borussia Mönchengladbach. Germany international Julian Brandt joins from Leverkusen and can play in a variety of attacking positions. They all signed contracts with terms expiring on 30 June 2024.

Mats Hummels, who previously played for Borussia Dortmund from 2008 to 2016, will return to the club for the upcoming season and signed a contract through 30 June 2022.

Match operations

Preseason training for the 2019/2020 season began on 3 July 2019. Borussia Dortmund once again toured the United States, from 15 to 21 July 2019. The team beat the Seattle Sounders 1:3. Borussia Dortmund also won its second test match against Liverpool FC with 2:3.

Borussia Dortmund then held its training camp in Bad Ragaz, Switzerland, from 27 July 2019 to 2 August 2019. During its training camp, the team played one test match against Udinese Calcio and another test match against FC St. Gallen.

Borussia Dortmund officially kicked off the new season on 4 August 2019, presenting the team to the public and holding a variety of events in and around SIGNAL IDUNA PARK.

At the end of June 2019, DFL Deutsche Fußball Liga GmbH published the fixtures for the upcoming 2019/2020 season. Borussia Dortmund's first match of the season was a home match against FC Augsburg on 17 August 2019.

On 9 August 2019, Borussia Dortmund travelled to Düsseldorf and beat third-division side KFC Uerdingen 0:2 to advance on the next round of the DFB Cup.

Lucien Favre

Borussia Dortmund and head coach Lucien Favre came to an early agreement to extend his contract, which was set to end on 30 June 2020, until 30 June 2021.

Super Cup

On 3 August 2019, the DFL Super Cup was played at SIGNAL IDUNA PARK. Borussia Dortmund won its first silverware of the 2019/2020 season by beating FC Bayern Munich 2:0 at home.

Dr Werner Müller

Borussia Dortmund mourns the loss of Dr Werner Müller. The Deputy Chairman of the Supervisory Board of Borussia Dortmund passed away on 15 July 2019 in Essen at the age of 73. Dr Müller joined Borussia Dortmund's Advisory Board in 2006. He joined the Supervisory Board on 24 November 2014 and was appointed its Deputy Chairman on 23 November 2015.

Other

The Bundesliga's summer transfer window for the 2019/2020 season closes on Monday, 2 September, two days later than usual.

Eurosport, which currently holds the rights to broadcast Bundesliga matches live, has sublicensed these rights to the streaming service DAZN for the upcoming Bundesliga season. Having agreed to a partnership spanning several markets, both

broadcasters also entered into an agreement, approved by DFL Deutsche Fußball Liga GmbH, to broadcast 45 Bundesliga matches in both the 2019/2020 and 2020/2021 seasons in Germany and Austria.

Borussia Dortmund's Sustainability Report for the 2018/2019 season will be published online on 31 October 2019 at <https://verantwortung.bvb.de/en>.

Dortmund, 13 August 2019

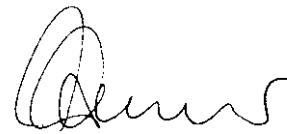
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

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 at 30 June 2019 and the income statement for the financial year from 1 July 2018 to 30 June 2019, and notes to the annual 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 1 July 2018 to 30 June 2019.

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 corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2019 and of its financial performance for the financial year from 1 July 2018 to 30 June 2019, 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.

Pursuant to Section 322 (3) sentence 1 HGB [*Handelsgesetzbuch*: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements 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 judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 July 2018 to 30 June 2019. 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 annual financial statements on accounting policies (Sections: Deviations in accounting policies, Fixed assets and Liabilities) as well as to the explanatory notes to the balance sheet

THE FINANCIAL STATEMENT RISK

Player registrations in the amount of EUR 182.4 million are presented under intangible assets in the annual financial statements of Borussia Dortmund. Player registrations rose to EUR 182.4 million in the financial year ended due to additions of EUR 141.6 million, disposals of EUR 21.4 million, write-downs of EUR 80.8 million and reversals of write-downs of EUR 3.1 million. Trade payables include transfer liabilities of EUR 48.5 million.

In the financial year, there was an adjustment made to the accounting for agent fees, brokerage commission and other expenses related to contract extensions or the signing of professional players on a free transfer. They are now recognised as intangible assets.

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 and 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 materialise.

OUR AUDIT APPROACH

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

In addition, we assessed the admissibility of the change to the accounting method regarding the recognition of agent fees, brokerage commission and other expenses for contract extensions or the signing of professional players on a free transfer. We evaluated the disclosures in the notes required due to the change in accounting.

As part of subsequent measurement, we checked material transfer and agent agreements to assess whether conditions had occurred in financial year 2018/2019 triggering subsequent acquisition costs and additional liabilities from transfers and if there was corresponding recognition in the financial statements.

Furthermore, we examined material contract modifications or contract extensions for subsequent acquisition costs and additional liabilities or the appropriateness of adjustments to useful lives.

OUR OBSERVATIONS

Transfer and agent agreements were appropriately assessed in terms of measuring player registrations and 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 annual 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

In addition to the player registrations recognised, the transfer agreements also impact receivables and revenue from transfers. EUR 32.8 million of transfer receivables are shown under trade receivables in the annual financial statements of Borussia Dortmund. Revenue from transfers amounted to EUR 120.2 million in financial year 2018/2019.

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 case of player disposals, 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 player disposals from the professional squad, we substantiated the amount of transfer receivables and revenue by examining the material concluded transfer and agent agreements. The accuracy of recognised transfer receivables and revenue was assessed by verifying the calculation of receivables based on the contract provisions.

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 recognised 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 in accordance with commercial law of the currently valid employment

contracts with their remuneration components and amounts as well as individual cancellation agreements. We checked the consistency of contracts consciously selected according to certain risk criteria with the corresponding salary calculations. For the selected contracts, we checked to what extent contractually agreed conditions occurred 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 recognised in the proper period regardless of the payment date.

OUR OBSERVATIONS

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

Other Information

Management is responsible for the other information. The other information comprises the annual report, with the exception of the audited annual financial statements and management report, consolidated financial statements and group management report and our auditor's reports

Our opinions on the annual financial statements and 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 other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report 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 annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to 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 a 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. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a 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 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 judgement and maintain professional scepticism 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 and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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 provide a separate audit opinion on the prospective information or the underlying assumptions. 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 auditor at the annual general meeting on 26 November 2018. We were engaged by the Supervisory Board on 26 November 2018. We have audited Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, 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 referred 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, 13 August 2019
KPMG AG Wirtschaftsprüfungsgesellschaft



Fischer
Wirtschaftsprüfer
[German Public Auditor]



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

includes 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, 13 August 2019

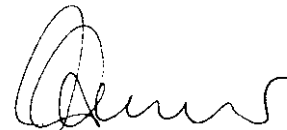
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



GROUP MANAGEMENT REPORT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



GROUP MANAGEMENT REPORT Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund for the 2018/2019 financial year

[hereinafter also "Borussia Dortmund" or the "Group"]

BUSINESS TREND

LOOKING BACK ON FINANCIAL YEAR 2018/2019

DFB Cup

In the first round of the DFB Cup, Borussia Dortmund beat SpVgg Greuther Fürth 1:2. Lucien Favre's team also won its second-round matchup, beating 1. FC Union Berlin 3:2. Borussia Dortmund then lost 5:7 on penalties in the round of 16 to Bundesliga rivals SV Werder Bremen.

Bundesliga

Under Lucien Favre, Borussia Dortmund finished the 2018/2019 Bundesliga season with 76 points in second place behind FC Bayern Munich, thereby

qualifying directly for the group stage of the UEFA Champions league. Borussia Dortmund will also host FC Bayern Munich in this year's DFL Super Cup on 3 August 2019.

UEFA Champions League

In the UEFA Champions League, the team chalked up four wins, one draw and a loss to top its group and qualify for the round of 16, where it faced Tottenham Hotspur. Borussia Dortmund lost both the first (3:0) and second (0:1) legs of the tie.

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.



DFB cup 1st round
20 August 2018
Greuther Fürth - BVB 1:2 (a.e.t.)



1st match day
26 August 2018
BVB - Rasenballsport Leipzig 4:1

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.

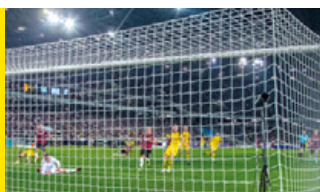
The result from operating activities (EBIT) and net profit or loss for the year are also used to manage the Company. These financial performance indicators play a key role in preparing the budget for the coming financial year(s), in interim controlling with respect to the earnings performance and when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



2nd match day
31 August 2018
Hannover 96 - BVB 0:0



3rd match day
14 September 2018
BVB - Eintracht Frankfurt 3:1

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 IN THE 2018/2019 FINANCIAL YEAR

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.

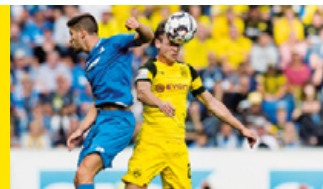
Hankook Reifen Deutschland GmbH, one of Borussia Dortmund's longstanding Champion Partners, also extended its agreement by a further season until 30 June 2020.

Transfer deals

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.



1st match day UCL
18 September 2018
FC Brügge - BVB 0:1



4th match day
22 September 2018
TSG Hoffenheim - BVB 1:1

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 left Borussia Dortmund for Chelsea FC.

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.

Capital expenditure

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.

Match operations

Of the 55,500 season ticket holders, only 139 opted to not renew their season tickets for the upcoming 2019/2020 season.

Other

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

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.

Borussia Dortmund has partnered with Amazon Prime Video to give its fans around the world a first-hand look behind the scenes. The four-part documentary series was filmed over the course of the past season and directed by Aljoscha Pause.

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 began its work 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.



5th match day
26 September 2018
BVB - 1. FC Nürnberg 7:0



6th match day
29 September 2018
Bayer Leverkusen - BVB 2:4

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.

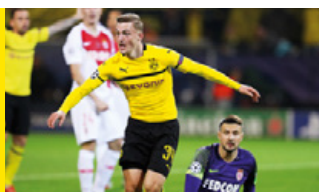
The DFL general meeting of disabled fan representatives was held in November 2018. Borussia Dortmund's representatives were in attendance and discussed various issues ranging from inclusion to diversity management through to accessibility at stadiums.

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.

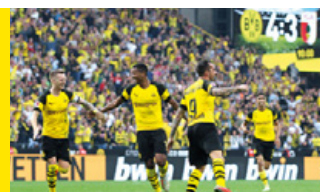
At the beginning of the 2018/2019 season, the Bundesliga introduced an official "Player of the Month" award. The winner is selected by DFL Deutsche Fußball Liga GmbH and EA SPORTS FIFA 19 on the basis of the players' individual performance data and a vote by fans and experts. Marco Reus won the inaugural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



2nd match day UCL
3 October 2018
BVB - AS Monaco 3:0



7th match day
6 October 2018
BVB - FC Augsburg 4:3

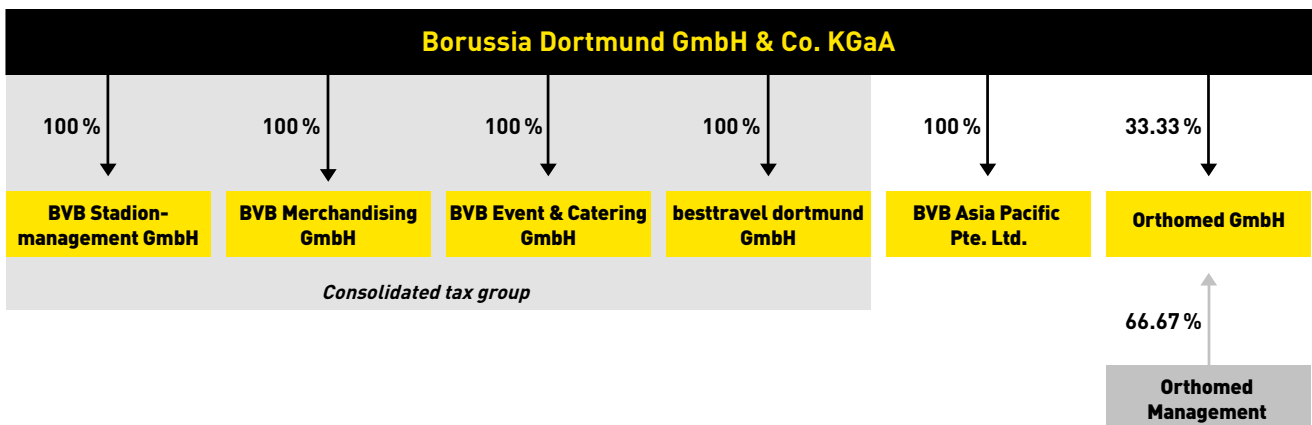
GENERAL INFORMATION ABOUT THE COMPANY

GROUP STRUCTURE AND BUSINESS OPERATIONS

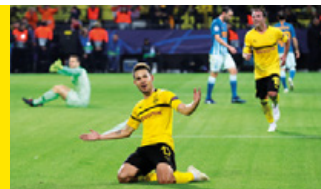
In addition to its core activities of playing football and marketing SIGNAL IDUNA PARK, Borussia Dortmund has established football-related lines of business. The Company currently holds indirect and direct equity investments in the following companies: BVB Stadionmanagement GmbH (100.00%), BVB Merchandising GmbH (100.00%), BVB Event & Catering GmbH (100.00%), BVB Asia Pacific Pte. Ltd. (100.00%), besttravel dortmund GmbH (100.00%) and Orthomed GmbH (33.33%).

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.

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



8th match day
20 October 2018
VfB Stuttgart - BVB 0:4



3rd match day UCL
24 October 2018
BVB - Atletico Madrid 4:0

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.



9th match day
 27 October 2018
 BVB - Hertha BSC 2:2



DFB cup 2nd round
 31 October 2018
 BVB - Union Berlin 3:2 (a.e.t.)

The names of the current members of the Company's Supervisory Board in the 2018/2019 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	Peer Steinbrück	Bernd Geske	Christian Kullmann	Dr Werner Müller	Ulrich Leitermann	Björn Gulden	Dr Reinhold Lunow	Silke Seidel
Chairman				Deputy Chairman				

RIGHT TO REMUNERATION 2018/2019 (EUR '000)

24	12	12	12	18	12	12	12	12
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OCCUPATIONS (as at 30 June 2019)

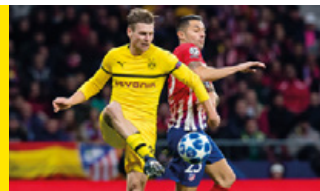
Retired; former Managing Director of Stadt-Parfümerie Pieper GmbH, Herne	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Managing partner of Bernd Geske Lean Communication, Meerbusch	Chairman of the Executive Board of Evonik Industries AG, Essen	German Finance Minister (ret.)	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 30 June 2019)

Member of the Advisory Board of Borussia Dortmund Geschäftsführung-GmbH, 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 Dortmund 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, Braband, Denmark	Member of the Supervisory Board of Tchibo GmbH, Hamburg	Member of the Supervisory Board of Pandora A/S, Copenhagen, Denmark (until 13 March 2019)
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10th match day
3 November 2018
VfL Wolfsburg - BVB 0:1

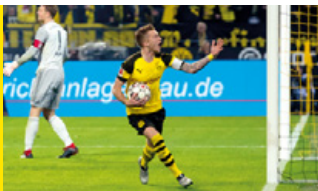
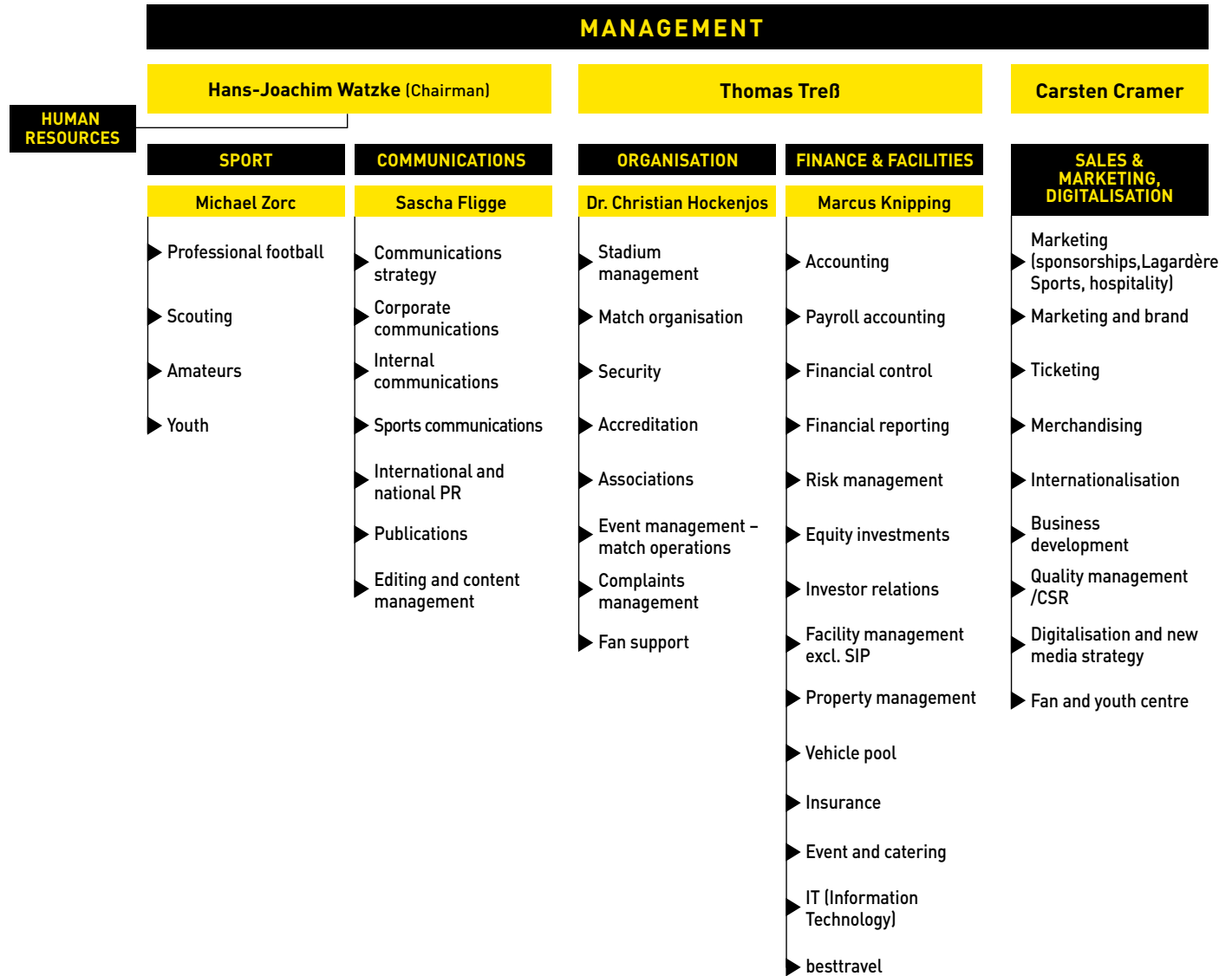


4th match day UCL
6 November 2018
Atletico Madrid - BVB 2:0

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:

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



11th match day
 10 November 2018
 BVB - Bayern München 3:2



12th match day
 24 November 2018
 1. FSV Mainz 05 - BVB 1:2

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 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 revenue, which can be additionally improved in the major revenue categories of match

operations, advertising, transfer deals and TV marketing, and operating expenses, which can be lowered through disciplined management.

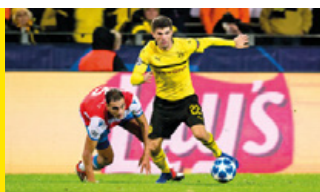
A key goal of the management of Borussia Dortmund is to achieve a lasting increase in profitability along with bolstering its financial strength. In addition to steadily improving the operating result (EBITDA) and the result from operating activities (EBIT), a positive free cash flow is therefore the 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 revenue growth while limiting operating expenditure. The decisive factor in this respect will be qualifying for international competitions.

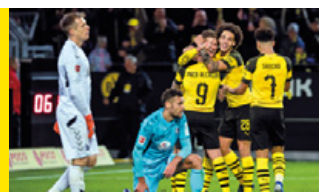
Capital management

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.



5th match day UCL
28 November 2018
BVB - FC Brügge 0:0



13th match day
1 December 2018
BVB - Sportclub Freiburg 2:0

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 and thus far only 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 in Europe.
- 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



14th match day
8 December 2018
FC Schalke 04 - BVB 1:2



6th match day UCL
11 December 2018
AS Monaco - BVB 0:2

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), Evonik Industries AG (ending 2025) and PUMA International Sports Marketing B.V. (ending 2020), the Company's chief partners.

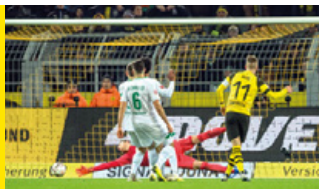
Revenues from international competitions are more difficult to budget for, since they depend solely on the team's athletic performance.

The net profit for the year and targeted investments in the professional squad are expected to result in a stable, positive free cash flow.

SEPARATE NON-FINANCIAL GROUP REPORT

Please see the 2018/2019 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 2018/2019 financial year within the

meaning of §§ 315b, 315c in conjunction with §§ 289c to 289e HGB, which was subject to a limited assurance engagement. As at 31 October 2019, the Sustainability Report will be published online at <https://verantwortung.bvb.de/en>.



15th match day
1. December 2018
BVB - Werder Bremen 2:1



16th match day
18 December 2018
Fortuna Düsseldorf - BVB 2:1

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

Development of financial performance indicators

In the 2018/2019 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:

Revenue

Revenue amounted to EUR 489,524 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 current financial year.

EBITDA

The operating result in the current financial year amounted to EUR 115,983 thousand; the forecast for the full financial year in the Annual Report dated 30 June 2018 had projected EBITDA to exceed EBIT by approximately EUR 75,000 thousand. This forecast was exceeded due to transfer income.

EBIT / Net profit/loss for the year

The result from operating activities (EBIT) for the period from 1 July 2018 to 30 June 2019 amounted to EUR 23,501 thousand and the net profit for the year totalled EUR 17,391 thousand.

The report on expected developments dated 30 June 2018 forecasted net profit and positive EBIT in the low seven-figure range for the full financial year. This forecast was exceeded on the back of unexpectedly high transfer income.

Cash flows

Cash flows from operating activities amounted to EUR 144,525 thousand (previous year: EUR 170,361 thousand). Borussia Dortmund forecasted as at 30 June 2018 that it would generate cash flows from operating activities by EUR 100,000 thousand.

Free cash flow

Free cash flow at the end of the 2018/2019 financial year amounted to EUR 5,201 thousand (previous year: EUR 27,635 thousand).

Borussia Dortmund forecasted as at 30 June 2018 that it would generate free cash flow by EUR 15,000 thousand.



17th match day
21 December 2018
BVB - Bor. M'gladbach 2:1



18th match day
19 January 2019
Rasenballsport Leipzig - BVB 0:1

Overview of financial performance indicators:

Borussia Dortmund Group (IFRS)

EUR '000	2018/2019	2017/2018*
Revenue	489,524	536,043
Operating result (EBITDA)	115,983	137,306
Result from operating activities (EBIT)	23,501	38,974
Net profit/net loss for the year	17,391	31,705
Cash flows from operating activities	144,525	170,361
Free cash flow	5,201	27,635

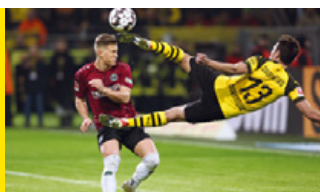
* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.

Development of non-financial performance indicators

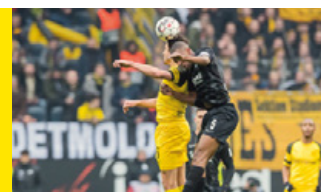
The club's success on the pitch is a trending topic on social media and continues to drive the success of Borussia Dortmund's various digital platforms. With more than 15,000,000 followers, Facebook remains by far the club's most important social media platform despite a slight drop in followers as compared with the end of the third quarter. Borussia Dortmund's followers on Instagram continued to increase steadily, rising by more than 500,000 since the third quarter. With 7,707,729 followers as at 30 June 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. In the fourth quarter, Borussia Dortmund joined the Chinese video platform TikTok, which primarily caters to a teenage audience. The channel is

extremely popular and shows the largest growth overall with 175,000 new users.

Elsewhere on social media, the numbers were also positive. Borussia Dortmund added just under 100,000 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. The trend also extends to the Chinese social media platform Douyin, which is used to create and share short video clips and targets younger audiences. Borussia Dortmund has more than 55,000 followers on the platform. Borussia Dortmund's new English-language Twitter channel also set new standards, with three tweets alone generating more than 15 million impressions.



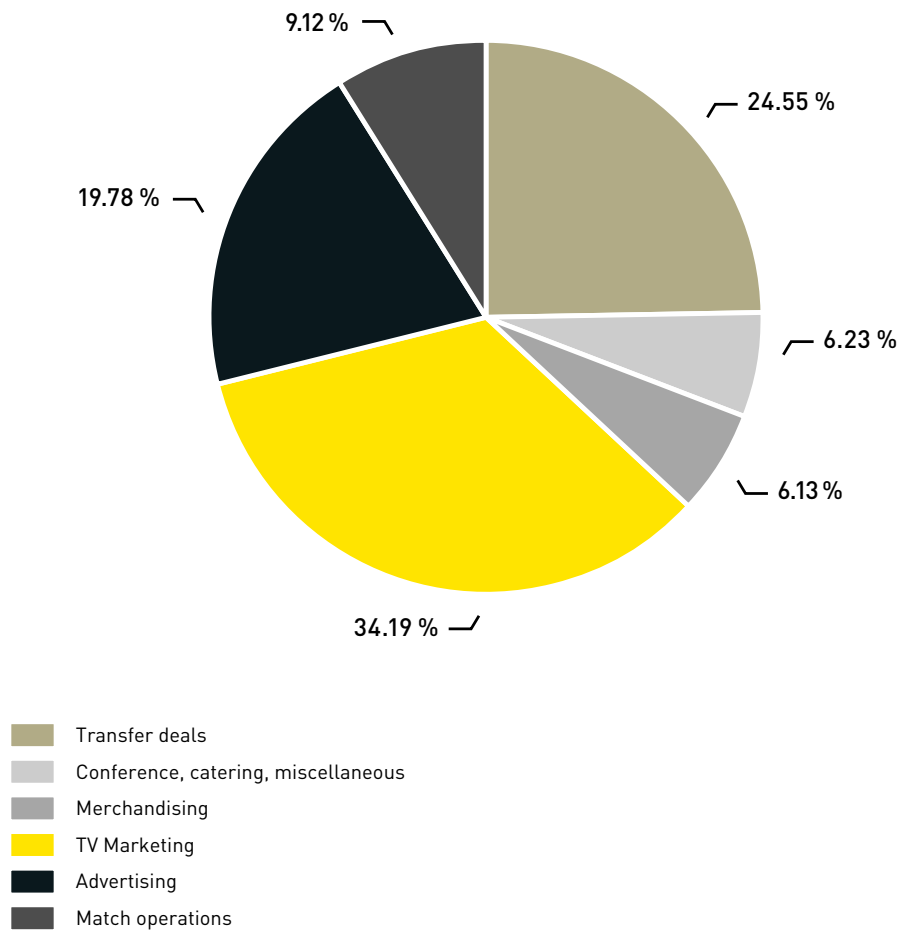
19th match day
26 January 2019
BVB - Hannover 96 5:1



20th match day
2 February 2019
Eintracht Frankfurt - BVB 1:1

RESULTS OF OPERATIONS

Borussia Dortmund Group – Revenue in percent

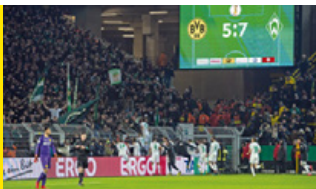


During the reporting period (1 July 2018 to 30 June 2019), Borussia Dortmund generated revenue of EUR 489,524 thousand (previous year: EUR 536,043 thousand) and gross revenue of EUR 497,270 thousand, a decrease of EUR 42,665 thousand (7.90%) on the previous financial year.

Earnings before taxes amounted to EUR 21,809 thousand (previous year: EUR 34,651 thousand); the

result from operating activities (EBIT) amounted to EUR 23,501 thousand (previous year: EUR 38,974 thousand). During the current reporting year, the operating result (EBITDA) amounted to EUR 115,983 thousand (previous year: EUR 137,306 thousand).

Borussia Dortmund generated a net profit of EUR 17,391 thousand during the 2018/2019 financial year (previous year: EUR 31,705 thousand).



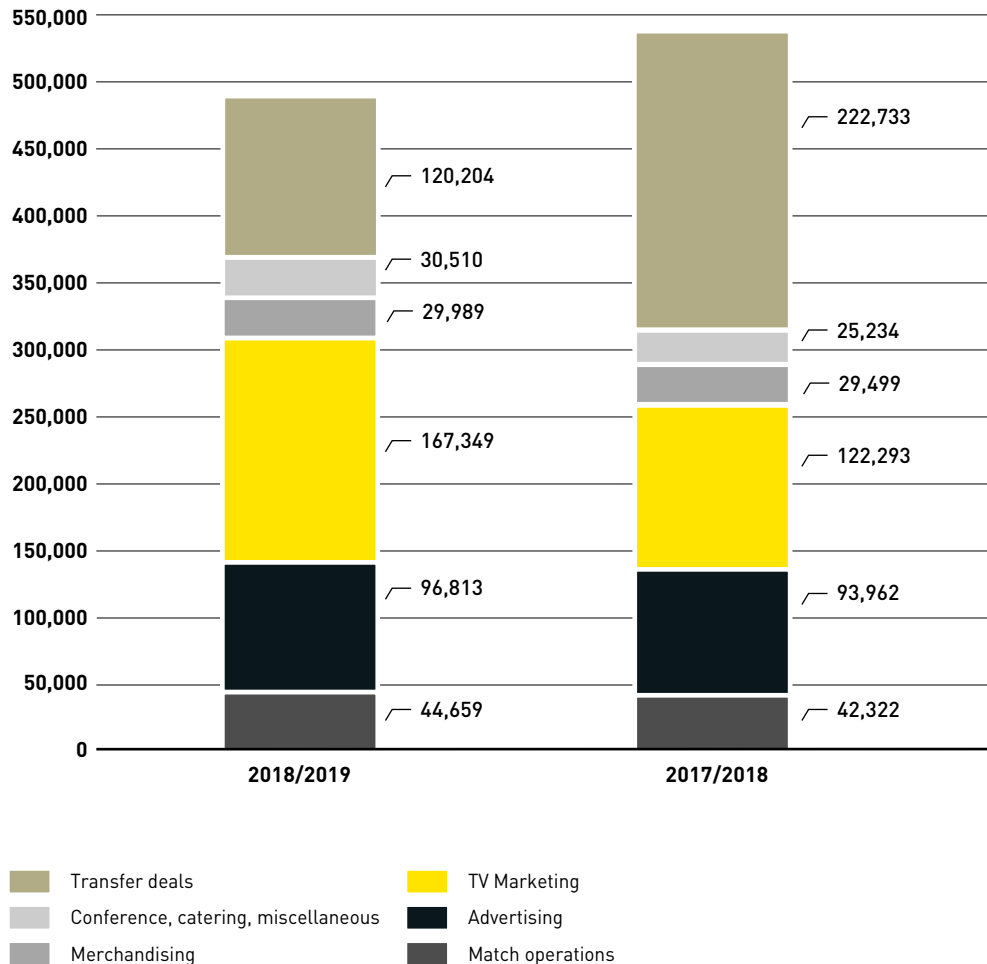
DFB cup round of 16
 5 February 2019
 BVB - Werder Bremen 5:7 o.p.



21st match day
 9 February 2019
 BVB - TSG Hoffenheim 3:3

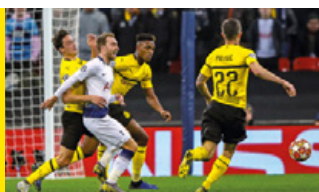
REVENUE TREND

Borussia Dortmund Group – Revenue in EUR '000

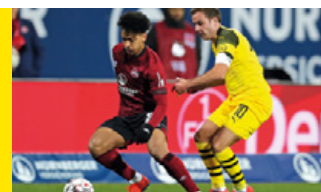


Borussia Dortmund generated revenue of EUR 489,524 thousand in the 2018/2019 financial year. The decrease of EUR 46,519 thousand (8.68%) in revenue is due primarily to decline in transfer income, which decreased from EUR 222,733 thousand in the previous year to EUR 120,204 thousand. Adjusted for transfer income, revenue increased by 17.88% from EUR 313,310 thousand in the previous year to EUR 369,320 thousand.

Only transfer income remained below the previous year's level in the past financial year. Income from match operations, advertising, TV marketing and merchandising as well as conference, and catering and miscellaneous income increased year on year.



UCL round of 16, 1st Leg
13 February 2019
Tottenham Hotspur - BVB 3:0



22nd match day
18 February 2019
1. FC Nürnberg - BVB 0:0

Borussia Dortmund recognises the revenue in the amount of the consideration that it expects to receive under the contract with the customer when (or as) the customer obtains control of the asset.

Revenue is recognised depending on whether the corresponding performance obligation is satisfied at a point in time or over time. Revenue from licences is recognised at a point in time when the right to use the Group's intellectual property is transferred, and over time when the right to access the Group's intellectual property exists throughout the licence period.

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

Income from match operations

Income from match operations increased by EUR 2,337 thousand to EUR 44,659 thousand in financial year 2018/2019.

Income from match operations for domestic competitions improved by EUR 787 thousand to EUR 28,214 thousand following moderate price adjustments.

Income from national cup competitions increased by EUR 444 thousand to EUR 2,680 thousand, despite the fact that the team did not compete in the DFL Super Cup. This was attributable primarily to two home matches in the DFB Cup.

In the current financial year, Borussia Dortmund impressed on the international stage with four wins, one draw and a loss, easily advancing from the group stage to the round of 16 of the UEFA Champions League, where it faced Tottenham Hotspur. By contrast, in addition to competing in

the group stage of the Champions Leagues in the previous season, Borussia Dortmund also played two ties in the Europa League: against Atalanta Bergamo in the round of 32 and against RB Salzburg in the round of 16. On the international stage, Borussia Dortmund only hosted four home matches (previous year: five), generating EUR 7,480 thousand in income from standard and hospitality tickets (previous year: EUR 9,135 thousand).

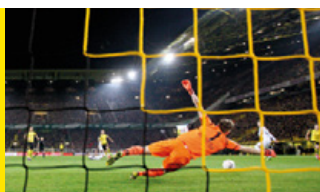
The income that Borussia Dortmund generated in financial year 2018/2019 from friendlies, in particular in connection with the US tours, including the ticket proceeds generated by the club's other teams, amounted to EUR 6,285 thousand, representing an increase of EUR 2,761 thousand on the previous year.

The revenue from season ticket subscriptions at the beginning of the financial year are recognised over time. The proceeds received in advance are recognised as deferred income. They are reversed pro rata over the match days and recognised in profit or loss.

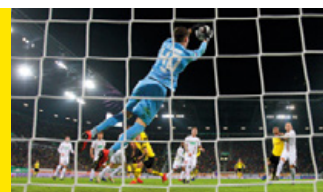
The revenue from the sale of match day tickets for all home matches is initially also recognised as deferred income and subsequently reversed and recognised in profit or loss on the date of the respective match.

Income from advertising

In the financial year ended, Borussia Dortmund increased its advertising revenue by 3.03% to EUR 96,813 thousand (previous year: EUR 93,962 thousand), representing a share of 19.78% of total revenue.



23rd match day
24 February 2019
BVB - Bayer Leverkusen 3:2



24th match day
1 March 2019
FC Augsburg - BVB 2:1

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

Borussia Dortmund saw a substantial increase in the number of national and product partners. The club also further stepped up its international advertising. A new stream of revenue is virtual advertising boards, which have been used on a regular basis during international live broadcasts of the first and second Bundesliga divisions since the start of the 2018/2019 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.

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 2019/2020 season, and for advancing to the round of 16 of the UEFA Champions League in financial year 2018/2019.

Income from advertising is recognised over the term of the respective contracts. The transaction price set out in a contract is recognised as deferred income at the beginning of the marketing activities and subsequently reversed and recognised as revenue on a straight line basis over the term of the advertising services. Invoices are issued in accordance with the terms of the agreements and accordingly fall due on the dates specified therein.

Income from TV marketing

In financial year 2018/2019, income from domestic and international TV marketing represented the highest share of revenue (34.19%) and increased by EUR 45,056 thousand year on year to EUR 167,349 thousand. Both the income from domestic and international TV marketing increased. Only the income from domestic cup competitions declined.

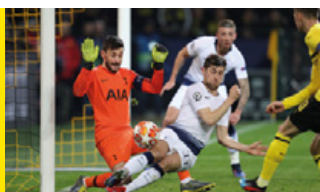
Income from domestic TV marketing amounted to EUR 98,110 thousand, up EUR 10,157 thousand against the prior-year reporting period.

This is due to DFL Deutsche Fußball Liga GmbH's TV agreement, which came into force on 1 July 2017 and provides for annual increases. According to the DFL's preliminary figures, 12.25% more was distributed for the 2018/2019 than in the previous year.

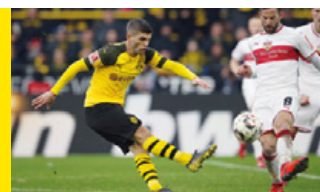
The income from international TV marketing improved by 114.39% from EUR 31,752 thousand in the previous year to EUR 68,073 thousand in the financial year ended.

In financial year 2018/2019, Borussia Dortmund advanced to the round of 16 of the UEFA Champions League and as a result received a considerably higher starting fee than it had received for playing in the round of 32 and round of 16 of the UEFA Europa League in the previous year.

UEFA's new revenue distribution system also entered into force at the start of the current financial year. Compared to the previous year, EUR 2.04 billion was distributed for the UEFA Champions League, an increase of 44.68%. In addition to the starting fees for the group stage, performance-based bonuses and the shares from market pools A and B, a new distribution share ("coefficient share") based on the coefficient ranking of the teams competing in the group stage



UCL round of 16, 2nd Leg
5 March 2019
BVB - Tottenham Hotspur 0:1



25th match day
9 March 2019
BVB - VfB Stuttgart 3:1

was introduced at the start of the reporting year. The coefficient is calculated on the basis of the club's performance over the past ten years.

As in the previous year, Borussia Dortmund was eliminated in the third round of the DFB Cup. In the 2018/2019 season, Borussia Dortmund did not compete in the DFL Super Cup. Income from domestic cup competitions thus amounted to EUR 1,162 thousand (previous year: EUR 2,578 thousand).

Income from TV marketing is recognised in line with the respective season. The media income from national TV marketing is recognised as deferred income at the beginning of the marketing activities and subsequently reversed and recognised as revenue on a straight line basis over the course of the financial year. Income from international TV marketing is recognised in profit or loss when the service is rendered.

Transfer income

Income from transfer deals declined by EUR 102,529 thousand to EUR 120,204 thousand due to the departures of Christian Pulisic to Chelsea FC, Sokratis Papastathopoulos to Arsenal FC and Andriy Yarmolenko to West Ham United as well as compensation stemming from transfer deals in previous financial years.

The year-on-year decline in transfer income is due primarily to the remarkably high income that was generated from the transfers of the players Ousmane Dembélé to FC Barcelona and Pierre-Emerick Aubameyang to Arsenal FC during the 2017/2018 season.

The players Marc Bartra, Sven Bender, Gonzalo Castro, Mikel Merino Zazón, Emre Mor and Neven Subotić also left Borussia Dortmund in the previous year.

Transfer income is recognised in connection with the transfer of a player. This transfers the exclusive right to early termination of the employment agreement at a certain point in time. Revenue is recognised once that right is transferred. The compensation stemming from the transfer deal falls due as stipulated in the agreement.

Income from merchandising

Merchandising revenue amounted to EUR 29,989 thousand, representing a slight year-on-year increase of EUR 490 thousand.

Revenue from the sale of fan merchandise is recognised when control of the merchandise is transferred. In accordance with the general terms and conditions, a voluntary right of return of 30 days from receipt of merchandise is granted. Revenue is



26th match day
16 March 2019
Hertha BSC - BVB 2:3



27th match day
30 March 2019
BVB - VfL Wolfsburg 2:0

reduced by the expected returns, which are estimated on the basis of historical data. In these cases, the Company recognises a refund liability and an asset for its right to recover products from customers on settling the refund liability, as well as a corresponding adjustment to cost of sales. Invoices are issued in accordance with the terms of the agreements and are generally payable within 14 days.

Conference, catering and miscellaneous income

Conference, catering and miscellaneous income amounted to EUR 30,510 thousand (previous year: EUR 25,234 thousand) and also included revenue from advance booking fees, rental and lease income and release fees for national team players.

Conference and catering income, which comprises income generated by BVB Event & Catering GmbH, the hospitality areas and events, increased by EUR 2,494 thousand from EUR 13,965 thousand in the previous year to EUR 16,459 thousand. Public catering income increased significantly by EUR 2,152 thousand. In contrast to the previous season, during which Borussia Dortmund played in the UEFA Europa League and thus five matches had to be scheduled for Sunday and one for Monday, the kick-off times of 14 Bundesliga home matches were primarily scheduled for Friday and Saturday, days on which significantly higher catering revenue

is generated. The demand for food and beverages on match days for international club competitions also increased, by 33.87%, even though one fewer match was held.

Income from non-match-day events also increased. Income from the hospitality areas remained level since these areas again operated at full capacity.

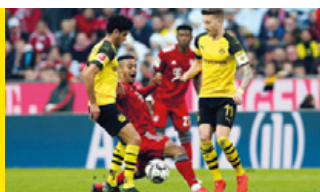
Advance booking fees and postage amounted to EUR 4,360 thousand in the current financial year, remaining virtually level with the previous year's EUR 4,365 thousand. As in the previous year, 23 home matches were held in Dortmund during the current financial year.

In the reporting period from 1 July 2018 to 30 June 2019, miscellaneous income, which includes the Evonik football academy, rental and lease income and BVB TV, increased by EUR 638 thousand to EUR 6,941 thousand.

Release fees for national team players also increased, rising from EUR 2,149 thousand to EUR 2,750 thousand. This was due primarily to six Borussia Dortmund players being selected for the World Cup.

Other operating income improved by EUR 3,854 thousand year on year to EUR 7,746 thousand. 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 (previous year: EUR 1,104 thousand), attributable primarily to the reversal of provisions.

Conference, catering and miscellaneous income is recognised at a point in time. Invoices are generally payable within 14 days.



28th match day
6 April 2019
Bayern München - BVB 5:0



29th match day
13 April 2019
BVB - 1. FSV Mainz 05 2:1

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Cost of materials

Cost of materials increased by EUR 1,179 thousand to EUR 21,273 thousand.

This figure included the cost of goods sold for both BVB Event & Catering GmbH and BVB Merchandising GmbH. Both items increased due to higher revenue.

Personnel expenses

In financial year 2018/2019, personnel expenses amounted to EUR 205,104 thousand (previous year: EUR 186,715 thousand).

Personnel expenses for the professional squad increased by 10.11% year on year. In addition to the increase of EUR 6,201 thousand in base salaries, performance-based bonuses also rose by EUR 9,128 thousand. This was due to the team finishing second in the Bundesliga with 76 points, reaching the round of 16 of the UEFA Champions League, and automatically qualifying for the group stage of the competition in the 2019/2020 season.

In the reporting period, personnel expenses related to the retail and administration areas increased by EUR 2,705 thousand year on year to EUR 28,925 thousand. This was due primarily to the expansion of the Sports management team, including the scouting department, the expansion of the football academy and the newly established security department at BVB Stadionmanagement GmbH.

Personnel expenses in relation to amateur and youth football amounted to EUR 9,200 thousand during the current 2018/2019 financial year (previous year: EUR 8,845 thousand).

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs declined by EUR 5,850 thousand to EUR 92,482 thousand in the reporting period. Depreciation, amortisation and write-downs for financial year 2017/2018 were restated retrospectively to EUR 98,332 thousand due to a necessary change in the applicable accounting policies.

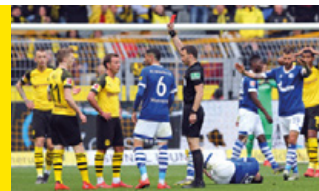
During the period from 1 July 2018 to 30 June 2019, intangible assets – which consist primarily of Borussia Dortmund's player registrations – were amortised in the amount of EUR 65,850 thousand (previous year: EUR 66,814 thousand).

Furthermore, EUR 13,809 thousand in write-downs of intangible assets to their fair values were recorded (previous year: EUR 20,362 thousand).

Depreciation and write-downs of property, plant and equipment rose by EUR 11,156 thousand to EUR 12,823 thousand due to investments in SIGNAL IDUNA PARK relating to the flood lights, the expansion and improvement of security measures and the modernisation and renovation of existing areas, as well as investments in the training ground and the headquarters building.



30th match day
21 April 2019
Sportclub Freiburg - BVB 0:4



31st match day
27 April 2019
BVB - FC Schalke 04 2:4

Other operating expenses

Other operating expenses decreased by EUR 40,910 thousand or 20.89% from EUR 195,820 thousand in the previous year to EUR 154,910 thousand in the reporting period.

Transfer deals declined by EUR 53,369 thousand to EUR 43,612 thousand. This item includes the derecognition of the residual carrying amounts of and sales-related costs for the players Christian Pulisic, Sokratis Papastathopoulos, Nuri Sahin and Andriy Yarmolenko as well as other (subsequent) transfer payments.

Other transfer payments decreased due to the necessary change in the accounting policy applicable to agent and brokerage commissions and expenses in connection with contract extensions and subsequent costs for players acquired on free transfers. Under the new policy, these items are recognised as intangible assets beginning in financial year 2017/2018 and amortised over the term of the individual contract.

Expenses from match operations increased by EUR 7,494 thousand to EUR 47,318 thousand. This increase is due to rising football association dues for national TV marketing, repair and modernisation measures in and around SIGNAL IDUNA PARK and the training ground, higher scouting-related expenses as well as enhanced security measures during match operations.

Advertising expenses also rose, by EUR 1,437 thousand. The year-on-year rise in advertising income lead to an increase in commissions paid to Lagardère Sports Germany GmbH. Other advertising measures also increased.

Administrative expenses also rose by EUR 3,947 thousand to EUR 26,201 thousand in the financial year ended. This increase was due primarily to the year-on-year rise in cost and profit allocations, higher travel expenses – attributable in part to the team's US tour and the tours of the US and Asia undertaken by BVB legends in their roles as brand ambassadors – as well as legal and consulting fees.

Financial result

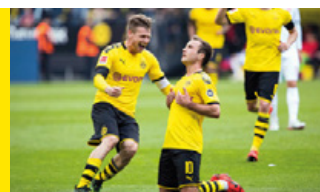
The financial result for financial year 2018/2019 amounted to EUR -1,692 thousand (previous year: EUR -4,323 thousand) and breaks down as follows: The financial result includes interest income amounting to EUR 427 thousand (previous year: EUR 552 thousand) in addition to the share of the profits (EUR 13 thousand) of Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH in 2018. Interest expenses amounted to EUR 2,132 thousand (previous year: EUR 4,888 thousand).

Tax expense

Tax on income amounted to EUR 4,418 thousand (previous year: EUR 2,946 thousand) and consisted of EUR 1,742 thousand in tax expenses relating to the 2018/2019 financial year and expenses of EUR 2,942 thousand (EUR 1,136 thousand) in respect of changes in deferred taxes.



32nd match day
04 May 2019
Werder Bremen - BVB 2:2



33rd match day
11 May 2019
BVB - Fortuna Düsseldorf 3:2

ANALYSIS OF CAPITAL STRUCTURE

DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

As at 30 June 2019, total assets amounted to EUR 500,071 thousand, representing an increase of EUR 14,459 thousand as compared to 30 June 2018. Non-current assets increased by EUR 20,310 thousand as follows:

The rise in intangible assets is due primarily to additions amounting to EUR 132,174 thousand (of which EUR 130,435 thousand in player registrations), which were partly offset by disposals of EUR 16,822 thousand as well as amortisation and write-downs of EUR 71,984 thousand.

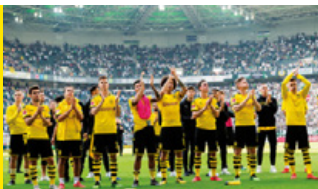
Property, plant and equipment increased by EUR 16,730 thousand. The additions were offset by EUR 599 thousand in disposals and EUR 12,823 thousand in depreciation. The additions were attributable mainly to the investments to expand the training ground and in the stadium. Furthermore, the initial application of IFRS 16 resulted in additions of EUR 6,292 thousand to property, plant and equipment.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

ASSETS	30/06/2019		30/06/2018*	
	EUR '000	in %	EUR '000	in %
Non-current assets				
Intangible assets	163,710	32.7	120,342	24.8
Property, plant and equipment	184,001	36.8	180,693	37.2
Investments accounted for using the equity method	322	0.1	309	0.1
Financial assets	52	0.0	71	0.0
Trade and other financial receivables	9,743	1.9	39,653	8.2
Deferred tax assets	0	0.0	0	0.0
Prepaid expenses	13,887	2.8	10,337	2.1
	371,715	74.3	351,405	72.4
Current assets				
Inventories	4,569	0.9	5,588	1.1
Trade and other financial receivables	30,061	6.1	22,981	4.7
Tax assets	1,801	0.3	645	0.1
Cash and cash equivalents	55,865	11.2	59,464	12.3
Prepaid expenses	15,026	3.0	14,457	3.0
Assets held for sale	21,034	4.2	31,072	6.4
	128,356	25.7	134,207	27.6
	500,071	100.0	485,612	100.0

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.



34th match day
 18 May 2019
 Bor. M'gladbach - BVB 0:2

Non-current trade and other financial receivables fell from EUR 39,653 thousand to EUR 9,743 thousand due to payments received for transfer receivables.

Current assets declined by EUR 5,851 thousand, which was due mainly to the reclassification to held-for-sale assets amounting to EUR 21,034 thousand (previous year: EUR 31,072 thousand) and cash and cash equivalents (decrease of EUR 3,599 thousand).

Trade and other financial receivables increased by EUR 7,080 thousand. This rise was due chiefly to higher receivables from transfer deals.

Inventories declined by EUR 1,019 thousand year on year.

Prepaid expenses amounted to EUR 28,913 thousand, up EUR 4,119 thousand as compared with 30 June 2018. This is attributable primarily to deferred salary payments.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EQUITY AND LIABILITIES	30/06/2019		30/06/2018*	
	EUR '000	in %	EUR '000	in %
Equity				
Subscribed capital	92,000	18.4	92,000	19.0
Reserves	263,032	52.6	251,698	51.8
Treasury shares	-113	0.0	-113	0.0
Equity attributable to the owners of the parent company	354,919	71.0	343,585	70.8
Non-current liabilities				
Lease liabilities	8,381	1.7	6,726	1.4
Trade payables	1,500	0.3	9,724	2.0
Other financial liabilities	7,204	1.4	2,550	0.5
Deferred income	0	0.0	4,001	0.8
	17,085	3.4	23,001	4.7
Current liabilities				
Provisions	1,671	0.3	1,146	0.2
Lease liabilities	3,127	0.6	1,969	0.4
Trade payables	60,650	12.1	54,597	11.3
Other financial liabilities	33,655	6.7	34,659	7.1
Deferred tax liabilities	2,679	0.6	0	0.0
Tax liabilities	811	0.2	1,962	0.4
Deferred income	25,474	5.1	24,693	5.1
	128,067	25.6	119,026	24.5
	500,071	100.0	485,612	100.0

* 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, Borussia Dortmund's equity amounted to EUR 354,919 thousand. This corresponds to an equity ratio of 70.97% (previous year: 70.75%). 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 145,152 thousand as at 30 June 2019. These increased by EUR 3,125 thousand from EUR 142,027 thousand as at the previous year's reporting date. Changes in total current and non-current liabilities were as follows:

Provisions increased by EUR 525 thousand to EUR 1,671 thousand. The increase was based on a reassessment of the risks and accrued interest.

Lease liabilities amounted to EUR 11,508 thousand as at 30 June 2019. The effect from the initial application of IFRS 16 amounted to EUR 6,094 thousand. Repayments of lease liabilities in the financial year ended amounted to EUR 3,281 thousand.

ANALYSIS OF CAPITAL EXPENDITURE

In the past financial year, Borussia Dortmund invested EUR 129,458 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 9,933 thousand and primarily included fixtures and expansions at SIGNAL IDUNA PARK, the training ground in Brackel and the football academy.

The focus of future investments will firstly be on the project to expand BVB's training centre. The training ground and youth academy will be enhanced in

Non-current trade payables decreased by EUR 8,224 thousand as compared to 30 June 2018. This was due primarily to lower liabilities from transfer deals. Current trade payables increased by EUR 6,053 thousand.

Other financial liabilities increased by EUR 3,650 thousand to EUR 40,859 thousand, attributable primarily to personnel-related liabilities not yet due.

Tax liabilities amounted to EUR 811 thousand (previous year: EUR 1,962 thousand).

Deferred tax liabilities amounted to EUR 2,679 thousand (previous year: EUR 0 thousand).

Deferred income decreased by a total of EUR 3,220 thousand due in particular to the recognition of the agency licencing agreement with Lagardère Sports Germany GmbH (formerly SPORTFIVE GmbH & Co. KG).

stages over the period up to 2021. This will involve acquiring further adjacent land and opening new pitches.

Secondly, Borussia Dortmund is currently designing its new fan and youth centre which will be located on the Strobelaallee. 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.

ANALYSIS OF LIQUIDITY

As at 30 June 2019, Borussia Dortmund held unrestricted cash funds of EUR 55,865 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 operating activities amounted to EUR 144,525 thousand and included proceeds from transfer deals amounting to EUR 142,087 thousand.

NET ASSETS

Borussia Dortmund's total assets increased from EUR 485,612 thousand to EUR 500,071 thousand. Fixed assets rose by EUR 46,676 thousand. Trade and other financial receivables decreased due primarily to payments received for transfer receivables.

Prepaid expenses amounted to EUR 28,913 thousand, up EUR 4,119 thousand as compared with 30 June 2018.

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT

Borussia Dortmund ended the 2018/2019 financial year with consolidated net profit for the year of EUR 17,391 thousand.

At the end of the reporting period, Borussia Dortmund had access to an additional EUR 30,000 thousand in overdraft facilities which had not been drawn down.

Taking into account the consolidated net profit for the year, the equity ratio is calculated at 70.97%. As at 30 June 2019, Borussia Dortmund held unrestricted cash funds of EUR 55,865 thousand.

Overall, business development during financial year 2018/2019 was positive.

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 12 thousand (previous year: EUR 12 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 § 314 (1) no. 6 HGB are included in the notes to the consolidated financial statements.

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		
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 19 (previous year: 18) 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 previous eight main categories (strategic risk, personnel risk, macroeconomic risk, competitive risk, liquidity risk, interest rate risk, credit risk and resources risk) were expanded by one (ecological risk) and are presented and explained in greater detail below.

All 61 risks that could have a direct impact on the Company fall within these categories. In addition to the 58 risks in the previous year, four new risks were added and one risk was removed.

In addition to the 18 risks classified as high priority during the reporting period, the risk of consequential damage arising from mining was added; no risks were removed.

The following is a discussion of the 19 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 financial year, Borussia Dortmund again held several roadshows in Europe and the United States 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.

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 practices 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 the past year in particular, 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.

The entry into force of the EU General Data Protection Regulation in May 2018 meant that companies had to review and bring their business processes in line with the new requirements.

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 or even excessive stress.

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.

This category includes five high priority risks:

Borussia Dortmund has classified unfavourable macroeconomic developments, particularly high unemployment and slow economic growth, as the first risk in this category. The German Institute for Economic Research, the Ifo Institute for Economic Research and RWI Essen again expect the economic recovery to be muted and therefore once more lowered their economic forecasts for Germany. All institutes have observed a decline in exports on account of recent political developments.

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 ensure that the atmosphere in and outside the stadium is welcoming, cosmopolitan and diverse.

The increased willingness of certain individuals to commit violence 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. Despite these security measures, fans of

Hertha BSC clashed with police at the Bundesliga match between Borussia Dortmund and Hertha BSC. 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 the dispute about who should cover the costs of providing security at home matches, the Federal Administrative Court (*Bundesverwaltungsgericht*) has remitted the case to the Higher Administrative Court (*Oberverwaltungsgericht*) of Bremen. In the court's opinion, the Higher Administrative Court did not sufficiently clarify certain facts. The Higher Administrative Court must now clarify the unresolved questions and rule anew on the action brought against the fee schedule, taking into account the legal opinion of the Federal Administrative Court.

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. In addition to the social networks that Borussia Dortmund uses for marketing and communication purposes, the social networks used by BVB employees also pose risks. Social media guidelines were drawn up for all Borussia Dortmund employees in order to safeguard the Company's image and prevent the unauthorised disclosure of internal information. In order account for the increasing importance of this risk, Borussia Dortmund has, with immediate effect, charged both the Communications and the Sales & Marketing departments with managing the risk.

Category 4 – competitive risk

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

This category includes six high priority risks:

The risk of being relegated to the second Bundesliga is a risk that would result in a significant negative financial impact. If it becomes increasingly likely that this may occur, the response to this risk is to draw up worst-case scenarios on the assumption of relegation, and to enter into more flexible and more heavily performance-based contracts.

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.

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.

The fourth risk in this category is the risk of a potential stadium catastrophe. As was previously the case, catastrophes in stadiums cannot be ruled out. 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 to provide security at the stadium. To this end, Borussia Dortmund has established a dedicated security department.

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 the risk of structural defects to SIGNAL IDUNA PARK as a high priority risk.

The risk of consequential damage arising from mining, which also affects SIGNAL IDUNA PARK, was added as a new 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. The club plans to survey and test the ground. However, this work has not yet begun because of suspicions that explosive ordinances are buried near the adjacent railway line. The ground surveys will reveal whether this extremely important logistics site will need to be reinforced or whether relatively minor measures to stabilise the ground will suffice.

Category 5 – liquidity risk

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

This category includes two 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. 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. 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.

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. In addition to the prestige associated with the UEFA Champions League, the new models for distributing TV marketing income and the significantly higher pay-outs are what make participating in the competition so lucrative.

The team was successfully rebuilt in the past season and the associated expectations that this would improve the professional squad were met. In year two of the project, which included bringing in Lucien Favre as head coach, Sebastian Kehl as Head of the Professional Squad and Matthias Sammer as an external advisor, and transforming the squad, Borussia Dortmund believes that there is further room for improvement. Over the past year, everyone in Sports worked together as one team, changes were initiated and opportunities were identified. In addition to steadily fine-tuning the sporting foundation, changes were also made to the squad. The return of Mats Hummels is intended to stabilise Borussia Dortmund's defence in the long term. Furthermore, Borussia Dortmund sees the signing as an opportunity to strengthen the team off the pitch

as well and to contribute to the development of young talents such as Mateu Morey. Borussia Dortmund wants to seize the opportunity and improve its chances of winning the title in the new season by making the team more robust, adding experienced players and injecting young, up-and-coming talent into the mix.

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. Accordingly, the club made concerted efforts to align the work of the Evonik football academy with that of the youth academy. In addition to the development of new concepts, decentralised locations were opened with partner clubs in order to improve the chances of discovering new talent. Professionalising the work of the youth academy goes hand in hand with its physical expansion. The number of students residing at the youth academy will double.

In addition, Borussia Dortmund also appointed Michael Skibbe as the U19 coach and brought in Otto Addo in the newly created role of "talent coach" to help promote talented youngsters to the senior team.

Borussia Dortmund continues to push ahead with its internationalisation efforts. The use of virtual advertising boards not only generates direct streams of revenue but also helps establish new contacts and partnerships, especially in Asia. Borussia Dortmund considers Asia in particular to be a further growth market. Borussia Dortmund uses its representative offices in Singapore and Shanghai to cater to its fans and react to market developments in Asia. Restructuring the social media department to keep up with the pace of digitalisation is a key component in unlocking the potential of foreign markets.

Internally, Borussia Dortmund has already positioned itself more broadly and professionally in this respect.

In addition to leveraging marketing potential and increasing its brand awareness internationally, Borussia Dortmund continually seeks to be a driver of progress and a source of pride amongst its fans in the heart of Dortmund. The construction of the fan and youth centre is another important sign that Borussia Dortmund wants to grow, seeks opportunities and does not expect a downturn any time soon.

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 EARNINGS TREND

Borussia Dortmund is returning to the UEFA Champions League in the coming 2019/2020 season. The team qualified directly for the lucrative group stage of the competition by virtue of its second-place finish last season. The club is thus continuing its run of successive appearances in international competitions, which stretches back to the 2010/2011 season and now includes two appearances in the UEFA Europa League and eight in the UEFA Champions League.

Success on the pitch also goes hand in hand with financial performance. Borussia Dortmund again demonstrated its economic stability during the year as it generated net profit for the year for the ninth consecutive time.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

The key predictable factor used to forecast the expected general economic environment is the income from TV marketing. At the national level, DFL Deutsche Fußball Liga reported record revenues for the 14th year running. 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 addition to the income from national TV marketing, participation in international club competitions is a key driver of Borussia Dortmund's profitability.

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 alone continues to place Borussia Dortmund in a better financial position. Playing and advancing 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.

The marketing of digital advertising can be seen as a result of this development. During the 2018/2019 season, Borussia Dortmund was the only club in the Bundesliga to market virtual advertising, primarily in Asia, at home matches. This brought Borussia Dortmund in contact with new customers. Borussia Dortmund believes there is even more potential to generate revenue using this form of marketing. Moreover, LED advertising boards will be installed in the upper west, north and south stands at SIGNAL IDUNA PARK, which will offer additional potential to generate revenue during the 2019/2020 season.

Borussia Dortmund has partnered with Amazon Prime Video to broadcast a documentary series in more than 200 countries in the 2019/2020 season. This is yet more proof that the club's internationalisation strategy and appeal translate into economic success.

Continuity remains the focus of Borussia Dortmund's approach to marketing advertising space.

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. Due to the high demand for season tickets, the number of no-shows per season ticket will be recorded beginning with the new season. By doing so, Borussia Dortmund wants to make the process fairer for fans who do not hold season tickets and increase their chances of obtaining tickets for matches at SIGNAL IDUNA PARK.

The product range strategy was revamped, leading to a positive revenue trend at BVB Merchandising GmbH. By rolling out (new) products during the season more frequently and placing a greater focus on the latest trends, fans are spurred on to visit the fan shops and online shop more often, resulting in higher revenue.

Transfer deals are an important part of Borussia Dortmund's business and, as in previous years, represent a significant source of revenue. 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 revenue regardless of the club's sporting success. Consequently, transfer deals are always assessed against the background of the current season and are thus difficult to forecast. 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.

EXPECTED RESULTS OF OPERATIONS

Expected earnings trend

Given that transfer income is extremely volatile and also difficult to plan, but usually also associated with high contributions to earnings, a decidedly conservative approach is taken when factoring such income into this earnings forecast. At the same time, market-related increases in the cost of players, which consequently weigh down earnings due to amortisation of intangible assets in the respective subsequent years, must be recorded and thus have a pronounced effect on this earnings forecast.

Furthermore, the club pursues a conservative approach when factoring success on the pitch and any associated earnings contributions into the forecast.

Against this backdrop and despite positive market developments, management currently forecasts that Borussia Dortmund will generate a net profit in the mid-seven-figure range for the upcoming 2019/2020 financial year. This can increase significantly in line with the team's sporting success or if the club generates surpluses from transfer deals that are not factored into the forecast.

Based on these forecast assumptions and analogue to the net profit for the year, EBIT is also expected to be in the mid-seven-figure range. Depreciation, amortisation and write-downs are expected to exceed EUR 85,000 thousand, with the operating result (EBITDA) forecast to exceed the result from operating activities (EBIT) by this amount.

Expected revenue trend

In the financial year ended, Borussia Dortmund's revenue decreased by 8.68% to EUR 489,524 thousand, due primarily to the decline in transfer deals by EUR 102,529 thousand. Given that transfer income is extremely volatile and difficult to plan, Borussia Dortmund takes a conservative approach (using past experience and prior-year figures) to factoring this income into the revenue forecast for the 2019/2020 financial year. Against this backdrop and given the expectations of a highly favourable market environment in which income from TV marketing will continue to increase significantly, Borussia Dortmund expects total revenue for the 2019/2020 financial year to exceed EUR 485,000 thousand.

Expected trend for significant operating expenses

Cost management continues to be Borussia Dortmund's highest priority. 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 those expenditures are always commensurate with the club's success.

Borussia Dortmund expects personnel expenses to increase in the coming financial year due to the rising costs for the professional squad resulting from fierce competition across Europe's leagues. We have already begun to benefit from the efforts we took in the previous season to rebuild the team. This included assigning new areas of responsibility and hiring additional staff. Borussia Dortmund will continue to pursue its strategy of professionalising the support team it has in place for its professional squad.

EXPECTED DIVIDENDS

The management will recommend to the Annual General Meeting that it resolve to use the net retained profits of EUR 25,844 thousand for financial year 2018/2019 to distribute a dividend

of EUR 0.06 per share carrying dividend rights for financial 2018/2019 and to transfer the remainder to other revenue reserves.

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. Therefore, the Group will invest in particular in the professional squad as well as SIGNAL IDUNA PARK, the adjoining infrastructure and especially the training ground.

Investments in the upcoming season will focus primarily on expanding the training ground in Brackel. Since opening in 2006, the training ground has been expanded in five phases. In the next phase, the training ground will be expanded to house a portion of the administration and communication functions that primarily focus on the footballing aspects of the business. Ultimately, the centralisation will unite and further professionalise all footballing functions. Consolidation in all aspects of sport facilitates both control and the organisational effort. The strategic planning is designed in such a way that further construction measures can be implemented in the coming years.

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.

In addition to the annual maintenance and modernisation measures, technological investments will be made in SIGNAL IDUNA PARK in the upcoming season, including installing LED advertising boards in the stadium's upper stands.

Another major project will be the stadium's flood lights. After the illumination levels are modified, Borussia Dortmund will meet any and all requirements imposed by football associations and the league and will be able to host matches for the 2024 European Championship.

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

Borussia Dortmund expects cash flows from operating activities in financial year 2019/2020 to exceed EUR 140 million. This figure may deviate significantly 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. Free cash flow is expected to amount to EUR 35 million.

OVERALL ASSESSMENT OF EXPECTED PERFORMANCE

The cumulative revenue generated by the Bundesliga increased for the 14th consecutive year. The market environment for German and European professional football continues to offer excellent opportunities for economic growth. Social developments in the age of digitalisation will present challenges not only to Borussia Dortmund but also to all of professional football, but will also offer opportunities for further growth. The

continuing internationalisation in almost all areas will further stimulate the general economic environment. The 2024 European Championship will also have an effect on the developments in the coming years, primarily with respect to investments in infrastructure. With strong partners at its side, Borussia Dortmund expects its financial performance to remain strong in the future.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Borussia Dortmund GmbH & Co. KGaA, Dortmund 2018/2019

Transfer deals

Borussia Dortmund agreed to transfer Abdou Diallo to reigning French champions Paris Saint-Germain. He transferred with immediate effect. Sebastian Rode also left Borussia Dortmund, transferring to Bundesliga rivals Eintracht Frankfurt. Alexander Isak will play for Real Sociedad in Spain's first division beginning in the 2019/2020 season. Jeremy Toljan also left Borussia Dortmund on loan and will ply his trade in Italy with U.S. Sassuolo Calcio during the 2019/2020 season. FC Spartak Moscow in Russia secured a loan deal with a subsequent buy option for André Schürrle. Maximilian Philipp also left Borussia Dortmund and will play for FC Dynamo Moscow in Russia. Shinji Kagawa transferred to Real Zaragoza in Spain's Segunda División. Ömer Toprak is on loan to SV Werder Bremen for the 2019/2020 season.

Capital expenditure

Even before the new financial year had begun, Borussia Dortmund announced that it had signed four new players for the upcoming 2019/2020 season. At 26 years of age, Nico Schulz arrived from TSG Hoffenheim to help shore up the midfield in the upcoming season. Borussia Dortmund landed another midfield reinforcement in Thorgan Hazard from Bundesliga rivals Borussia Mönchengladbach. Germany international Julian Brandt joins from Leverkusen and can play in a variety of attacking positions. They all signed contracts with terms expiring on 30 June 2024. Mats Hummels, who previously played for Borussia Dortmund from 2008 to 2016, will return to the club for the upcoming season and signed a contract through 30 June 2022.

Match operations

Preseason training for the 2019/2020 season began on 3 July 2019. Borussia Dortmund once again toured the United States, from 15 to 21 July 2019. The team beat the Seattle Sounders 1:3. Borussia Dortmund also won its second test match against Liverpool FC with 2:3.

Borussia Dortmund then held its training camp in Bad Ragaz, Switzerland, from 27 July 2019 to 2 August 2019. During its training camp, the team played one test match against Udinese Calcio and another test match against FC St. Gallen.

Borussia Dortmund officially kicked off the new season on 4 August 2019, presenting the team to the public and holding a variety of events in and around SIGNAL IDUNA PARK.

At the end of June 2019, DFL Deutsche Fußball Liga GmbH published the fixtures for the upcoming 2019/2020 season. Borussia Dortmund's first match of the season was a home match against FC Augsburg on 17 August 2019.

On 9 August 2019, Borussia Dortmund travelled to Düsseldorf and beat third-division side KFC Uerdingen 0:2 to advance on the next round of the DFB Cup.

Lucien Favre

Borussia Dortmund and head coach Lucien Favre came to an early agreement to extend his contract, which was set to end on 30 June 2020, until 30 June 2021.

Super Cup

On 3 August 2019, the DFL Super Cup was played at SIGNAL IDUNA PARK. Borussia Dortmund won its first silverware of the 2019/2020 season by beating FC Bayern Munich 2:0 at home.

Dr Werner Müller

Borussia Dortmund mourns the loss of Dr Werner Müller. The Deputy Chairman of the Supervisory Board of Borussia Dortmund passed away on 15 July 2019 in Essen at the age of 73. Dr Müller joined Borussia Dortmund's Advisory Board in 2006. He joined the Supervisory Board on 24 November 2014 and was appointed its Deputy Chairman on 23 November 2015.

Other

The Bundesliga's summer transfer window for the 2019/2020 season closes on Monday, 2 September, two days later than usual.

Eurosport, which currently holds the rights to broadcast Bundesliga matches live, has sublicensed these rights to the streaming service DAZN for the upcoming Bundesliga season. Having agreed to a partnership spanning several markets, both broadcasters also entered into an agreement, approved by DFL Deutsche Fußball Liga GmbH, to broadcast 45 Bundesliga matches in both the 2019/2020 and 2020/2021 seasons in Germany and Austria.

Borussia Dortmund's Sustainability Report for the 2018/2019 season will be published online on 31 October 2019 at <https://verantwortung.bvb.de/en>.

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 2019, 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 2019:
 - 1) Evonik Industries AG, Essen, Germany: 14.78% of the voting rights
 - 2) Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 14.86% of the voting rights (of which 5.53% held directly and 9.33% 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: 14.86% of the voting rights (of which 9.33% 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.
6. Because of its legal form as a partnership limited by shares, Borussia Dortmund GmbH

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.

& 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. The general partner is authorised until 23 November 2019, with the approval 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 (Authorised Capital 2014). The limited liability shareholders have a statutory pre-emptive right over new shares issued by the Company. Such new shares may also be subscribed by a bank or a company in accordance with § 53 (1) sentence 1 or § 53b (1) sentence 1 or (7) of the German Banking Act (*Kreditwesengesetz*, "KWG") if it agrees to offer them to the limited liability shareholders for subscription. However, the general partner is authorised, with the approval of the Supervisory Board, to decide to disapply

the statutory pre-emptive subscription rights of the limited liability shareholders. Pre-emptive subscription rights may be disapplied

- a) with respect to fractional amounts arising as a consequence of subscription ratios;
- b) in the event of capital increases against cash contributions up to a total amount of 10% of the share capital existing on the date of registration of the Authorised Capital 2014 or, if lower, 10% of the share capital existing on the date of exercise of the authorisation (in each case taking into account any other authorisations made use of during the effective period of this authorisation for the disapplication of pre-emptive subscription rights pursuant to or through the corresponding application of § 186 (3) sentence 4 of the AktG), provided the issue amount of the new shares does not fall significantly below the market price;
- c) in the event of capital increases against in-kind contributions, particularly for the purpose of acquiring companies, equity investments, real estate, rights and claims against the Company.

The general partner is authorised, with the approval of the Supervisory Board, to determine the further details of the capital increase and the terms and conditions of the share issue. In the event of a takeover bid for shares issued by the Company and admitted to trading on a regulated market, the general statutory responsibilities and powers apply to the general partner in other respects. For example, if a takeover bid were to be received, the general

partner and the Supervisory Board would be required to issue and publish a response to the bid, giving their reasons, in accordance with § 27 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, "WpÜG") to enable the limited liability shareholders to make a decision on the bid on an informed basis. Moreover, in accordance with § 33 WpÜG, once a takeover bid has been announced, the general partner may not take any actions outside the ordinary course of business that could frustrate the success of the bid, unless those actions have been authorised by the Annual General Meeting, or the Supervisory Board has given its approval of the actions or the actions relate to obtaining a competing bid. In making their decisions, the general partner and the Supervisory Board are bound to have regard to the interests of the Company, its employees and its shareholders. At the end of the reporting period, the Articles of Association did not contain any provisions within the meaning of §§ 33a – 33c WpÜG (European prohibition on frustrating action, European breakthrough rule, reservation of reciprocity).

- 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 Com-

pany 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, 13 August 2019

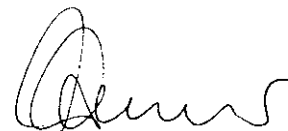
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



CONSOLIDATED FINANCIAL STATEMENTS

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



KONZERNABSCHLUSS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EUR '000	Note	30/06/2019	30/06/2018*	01/07/2017*
ASSETS				
Non-current assets				
Intangible assets	(1)	163,710	120,342	155,381
Property, plant and equipment	(2)	184,001	180,693	184,664
Investments accounted for using the equity method	(3)	322	309	296
Financial assets	(4)	52	71	109
Trade and other financial receivables	(5)	9,743	39,653	10,256
Deferred tax assets		0	0	0
Prepaid expenses	(14)	13,887	10,337	13,532
		371,715	351,405	364,238
Current assets				
Inventories	(6)	4,569	5,588	8,978
Trade and other financial receivables	(5)	30,061	22,981	48,776
Tax assets		1,801	645	170
Cash and cash equivalents	(7)	55,865	59,464	49,297
Prepaid expenses	(14)	15,026	14,457	11,176
Assets held for sale	(8)	21,034	31,072	0
		128,356	134,207	118,397
		500,071	485,612	482,635
EQUITY AND LIABILITIES				
Equity				
	(9)			
Subscribed capital		92,000	92,000	92,000
Reserves		263,032	251,698	224,453
Treasury shares		-113	-113	-113
Equity attributable to the owners of the parent company		354,919	343,585	316,340
Non-current liabilities				
Lease liabilities	(11)	8,381	6,726	8,695
Trade payables	(12)	1,500	9,724	496
Other financial liabilities	(13)	7,204	2,550	8,192
Deferred income	(14)	0	4,001	8,000
		17,085	23,001	25,383
Current liabilities				
Provisions	(10)	1,671	1,146	1,178
Lease liabilities	(11)	3,127	1,969	10,295
Trade payables	(12)	60,650	54,597	63,565
Other financial liabilities	(13)	33,655	34,659	43,264
Deferred tax liabilities		2,679	0	0
Tax liabilities		811	1,962	732
Deferred income	(14)	25,474	24,693	21,878
		128,067	119,026	140,912
		500,071	485,612	482,635

* Change in prior-year items. See also IAS 8" 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:

(1) – p. 186 | (2) – p. 187 | (3) (4) – p. 189 | (5) – p. 190 | (6) (7) (8) – p. 191 | (9) – p. 192 | (10) – p. 193
 (11) (12) (13) – p. 194 | (14) – p. 195

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

EUR '000	Note	2018/2019	2017/2018*
Revenue	(15)	489,524	536,043
Other operating income	(16)	7,746	3,892
Cost of materials	(17)	-21,273	-20,094
Personnel expenses	(18)	-205,104	-186,715
Depreciation, amortisation and write-downs	(19)	-92,482	-98,332
Other operating expenses	(20)	-154,910	-195,820
Result from operating activities		23,501	38,974
Net income/loss from investments in associates	(3)	13	13
Finance income	(21)	427	552
Finance costs	(21)	-2,132	-4,888
Financial result		-1,692	-4,323
Profit before income taxes		21,809	34,651
Income taxes	(22)	-4,418	-2,946
Consolidated net profit for the year		17,391	31,705
Items that were subsequently reclassified to profit or loss			
Cash flow hedge			
- effective portion of the change in fair value		0	-31
- reclassification to profit or loss		0	1,090
Other gains/losses incurred during the period, after taxes		0	1,059
Total comprehensive income		17,391	32,764
Consolidated net income for the year attributable to:			
- Owners of the parent:		17,391	31,705
- Minority interests:		0	0
Total comprehensive income attributable to:			
- Owners of the parent:		17,391	32,764
- Minority interests:		0	0
Earnings per share (in EUR) (basic/diluted)	(29)	0.19	0.34

* Change in prior-year items. See also "Restatements in accordance with IAS 8" 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. 189 | (15) (16) (17) (18) – p. 196 | (19) (20) (21) – p. 197 | (22) – p. 198 | (23) – p. 200 | (24) – p. 201
 (25) (26) – p. 203 | (27) – p. 204 | (28) – p. 205 | (29) – p. 207

CONSOLIDATED STATEMENT OF CASH FLOWS

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

EUR '000	2018/2019	2017/2018*
Profit before income taxes	+21,809	+34,651
Depreciation, amortisation and write-downs/reversals of write-downs of non-current assets	+90,105	+98,332
Gain/loss on disposals of non-current assets	+538	+7,602
Other non-cash expenses/income	+17,326	+40,246
Interest income	-427	-552
Interest expense	+2,132	+4,888
Net income/loss from investments in associates	-13	-13
Changes in other assets not classified as from investing or financing activities	+17,980	-745
Changes in other liabilities not classified as from investing or financing activities	-635	-8,657
Interest received	+5	+13
Interest paid	-1,461	-3,681
Income taxes paid	-2,834	-1,723
Cash flows from operating activities	+144,525	+170,361
Payments for investments in intangible assets	-129,458	-135,556
Payments for investments in property, plant and equipment	-9,933	-7,471
Proceeds from disposals of property plant and equipment	+61	+276
Proceeds from financial assets	+21	+38
Payments for investments in financial assets	-15	-13
Cash flows from investing activities	-139,324	-142,726
Payment for settlement of derivatives	0	-1,654
Dividend payments	-5,519	-5,519
Repayment of lease liabilities	-3,281	-10,295
Cash flows from financing activities	-8,800	-17,468
Change in cash and cash equivalents	-3,599	+10,167
Cash and cash equivalents at the beginning of the period	+59,464	+49,297
Cash and cash equivalents at the end of the period	+55,865	+59,464

* Change in prior-year items. See also "Restatements in accordance with IAS 8" 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 <i>see note (9)</i>	Subscribed capital	Reserves			Treasury shares	Equity attributable to the owners of the parent company	Consolidated equity
		Capital reserves	Other revenue reserves	Cash flow Hedge			
1 July 2017, as previously reported	92,000	142,843	78,628	-1,056	-113	312,302	312,302
Adjustment in connection with the application of IAS 8	0	0	4,038	0	0	4,038	4,038
As at 1 July 2017 (adjusted)	92,000	142,843	82,666	-1,056	-113	316,340	316,340
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
Total comprehensive income (adjusted)							
Consolidated net profit for the year	0	0	31,705	0	0	31,705	31,705
Other gains/losses incurred during the period, after taxes	0	0	0	1,059	0	1,059	1,059
Total comprehensive income	0	0	31,705	1,059	0	32,764	32,764
Other reclassifications	0	0	3	-3	0	0	0
30 June 2018	92,000	142,843	108,855	0	-113	343,585	343,585
1 July 2018	92,000	142,843	108,855	0	-113	343,585	343,585
Adjustment in connection with the 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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS of Borussia Dortmund GmbH & Co.
Kommanditgesellschaft auf Aktien, Dortmund for the financial year from 1 July 2018 to 30 June 2019**
(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 13 August 2019, 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 2018 to 30 June 2019, 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 2018/2019 financial year:

Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions

The amendments concern accounting for the effects of vesting conditions on cash-settled share-based payments, classification of share-based payments transactions with net settlement features, and accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments relate to first-time adoption of IFRS 9 for insurers. Without these amendments, the different effective dates of IFRS 9 and the new standard for insurance contracts (IFRS 17) would lead to increased volatility in profit or loss over the transition period and would double the cost and effort involved in transitioning to the new standards.

The amendments provide two solutions:

- Temporary exemption from IFRS 9: Entities whose activities are predominantly connected with insurance and who apply IFRS 4 to existing insurance contracts are permitted to continue applying IAS 39 instead of IFRS 9 for financial years beginning before 1 January 2021. This applies only if IFRS 9 had previously not been applied. Beginning in financial year 2018, additional disclosures in the notes are required to enable users of financial statements to make comparisons with entities applying IFRS 9. As part of its endorsement, the EU has widened the scope of this option to insurance undertakings of financial conglomerates under certain conditions.
- Overlay approach: Entities that apply IFRS 4 to existing insurance contracts are permitted to reclassify amounts between profit or loss and other comprehensive income for eligible financial assets so that the total profit or loss reported under IFRS 9 is the same as if IAS 39 had been applied to those assets.

The amendments did not have any impact on the consolidated financial statements of Borussia Dortmund.

IFRS 9 – Financial Instruments

IFRS 9 (Financial Instruments) was issued in July 2014 and replaces the existing IAS 39 (Financial

Instruments: Recognition and Measurement). Borussia Dortmund has applied IFRS 9 since 1 July 2018 and has exercised the option to not restate comparative information for prior periods to reflect changes in classification and measurement or loss allowances. Instead, differences arising from the adoption of IFRS 9 are reported under revenue reserves as at 1 July 2018.

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)". Under IFRS 9, 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 asset. IFRS 9 eliminates the previous categories under IAS 39: held to maturity, loans and receivables, and available for sale. Under IFRS 9, a derivative that is embedded in a contract with a host that is a financial asset within the scope of the standard is never accounted for separately. Instead, the hybrid financial instrument is assessed in its entirety with regard to its classification.

The table below presents the reconciliation of the carrying amounts of financial assets measured in accordance with IAS 39 to the carrying amounts under IFRS 9 as at the transition date to IFRS 9, 1 July 2018.

EUR '000	Original measurement category in accordance with IAS 39	New 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
Non-current and current financial assets				
Financial assets	Loans and receivables	At amortised cost	71	71
Trade receivables				
- not intended for factoring	Loans and receivables	At amortised cost	28,658	28,647
- intended for factoring	Loans and receivables	FVTPL	31,456	30,666
Other financial receivables	Loans and receivables	At amortised cost	2,520	2,520
Cash and cash equivalents	Loans and receivables	At amortised cost	59,464	59,464
Non-current and current financial liabilities				
Trade payables	Other financial liabilities	At amortised cost	64,321	64,321
Other financial liabilities	Other financial liabilities	At amortised cost	37,209	37,209

As at 30 June 2018, Borussia Dortmund had receivables from transfer deals intended for factoring that it classified as held-for-sale. In accordance with IFRS 9, the Group classified these as FVTPL. As a result, all changes in fair value are recognised through profit or loss. The effect of the reclassification as at 1 July 2018, taking into account tax effects, resulted in a reduction of equity by EUR 531 thousand.

The initial application of IFRS 9 did not have any material effect on the Group's accounting policies in respect of financial liabilities and derivative financial instruments. The effects of the first-time adoption of IFRS 9 on the carrying amounts of financial assets as at 1 July 2018 were attributable to the new requirements governing the recognition of loss allowances and the measurement of receivables intended for factoring at FVTPL.

IFRS 9 replaces the incurred loss model under IAS 39 with a forward-looking expected credit loss model. This requires significant judgment as to the extent to which expected credit losses are affected by changes in economic factors. This assessment is determined on the basis of weighted probabilities.

The new loss allowance model must be applied to financial assets measured at amortised cost or FVOCI (with the exception of securities carrying dividend rights held as financial investments) and contract assets.

The standard sets out a three-stage loss allowance model for calculating expected credit losses. A loss allowance is recognised at an amount equal to the

12-month expected credit losses (stage 1) or 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).

The three-stage model is applied to cash and cash equivalents for which loss allowances are recognised in accordance with IFRS 9. The resulting loss allowances are immaterial. The simplified approach is applied to trade receivables and contract assets that result from transactions that are within the scope of IFRS 15 and that do not contain a significant financing component, and the loss allowances are always recognised at an amount equal to the lifetime expected credit losses (stages 2 and 3).

As at 30 June 2018, a loss allowance of EUR 1,500 thousand was recognised in accordance with IAS 39 on trade receivables/contract assets. The estimated expected credit losses were measured on the basis of the credit losses actually incurred over the past three years. The measurement was broken down by business model. The calculation of future loss allowances – taking macroeconomic figures into account – increased loss allowances on trade receivables/contract assets by EUR 11 thousand. Taking tax effects into account, this reduced equity by EUR 7 thousand as at 30 June 2018.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 *Revenue from Contracts with Customers* sets out a comprehensive framework for determining whether, in what amount and at which point in time revenue is recognised. It replaces the existing guidance on revenue recognition, including that contained in IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*.

The Group is required to apply IFRS 15 as at 1 July 2018.

The Group opted to apply the modified retrospective method in its consolidated financial statements when transitioning to IFRS 15, and thus recognises the cumulative effect of applying the standard as at 1 July 2018.

In accordance with IFRS 15, revenue is recognised when (or as) the customer obtains control, whereas under IAS 18 revenue was recognised when the risks and rewards of ownership were transferred. The Group has completed its implementation project for the accounting of revenue from contracts with customers. There are no material changes from the previous practice under IAS 18.

The accounting treatment of rights of return in the mail order business was brought in line with IFRS 15. Revenue is reduced by the expected returns, which are estimated on the basis of historical data. In these cases, the Company recognises a refund liability and an asset for its right to recover products from customers.

This led to an immaterial increase in other liabilities and other current assets.

Amendment to IFRS 15 – Clarifications to IFRS 15

The amendments add clarifications on various requirements of IFRS 15 and introduce two new practical expedients to reduce complexity and costs for entities transitioning to the new standard.

These give entities options in presenting contracts that were either completed at the beginning of the earliest period presented or modified before the beginning of the earliest period presented.

The amendments must be applied for the first time for financial years beginning on or after 1 January 2018.

The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendment to IAS 40 – Transfers of Investment Property

The amendment to IAS 40 is intended to clarify when a property under construction or planning is transferred to or from investment property. The previous exhaustive list of circumstances in IAS 40.57 failed to ensure a clear classification of property under construction or development. The list of circumstances has now been designated explicitly as non-exhaustive, meaning that properties under construction or development can also be classified under the requirement.

The amendments did not have any impact on the consolidated financial statements of Borussia Dortmund.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration

IFRIC 22 addresses an issue when applying IAS 21 *The Effects of Changes in Foreign Exchange Rates*. It clarifies the date for the purpose of determining the exchange rate used to translate transactions in foreign currencies for which consideration is received or paid in advance. The foreign exchange rate for the related asset, income or expense is determined by the date on which the prepayment asset or liability for income received in advance was initially recognised.

The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Improvements to IFRS 2014 – 2016

The Annual Improvements to IFRSs (2014–2016 cycle) made changes to three standards, of which the following two are applicable for the first time in 2018:

In IAS 28, it was clarified that the measurement option for investments in associates and joint ventures held by a venture capital organisation or other similar entity may be exercised differently for each equity investment.

In addition, the amendments delete the short-term exemptions for first-time adopters in IFRS 1.E3–E7.

The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

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 standard must be applied for the first time for

financial years beginning on or after 1 January 2019. The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

IFRIC 23 Uncertainty over Income Tax Treatments

The tax treatment of certain circumstances or transactions may depend on the future acceptance of that treatment by the relevant tax authorities and courts. IAS 12 *Income Taxes* governs the accounting treatment of current and deferred taxes. IFRIC 23 clarifies the requirements under IAS 12 where there is uncertainty over the income tax treatment of certain circumstances and transactions.

The interpretation must be applied for the first time for financial years beginning on or after 1 January 2019. Earlier application is permitted.

The Group currently does not expect any material impact on the consolidated financial statements.

Amendment 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 accounted for using the equity method.

The amendments must – subject to adoption by the European Union – be applied for the first time as at 1 January 2019.

The Group currently does not expect any material impact on the consolidated financial statements.

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 must – subject to adoption by the European Union – be applied for the first time for financial years beginning on or after 1 January 2019. Earlier application is permitted.

The Group currently does not expect any material impact on the consolidated financial statements.

The amendments must – subject to adoption by the European Union – be applied for the first time for financial years beginning on or after 1 January 2019. Earlier application is permitted.

The Group currently does not expect any material impact on the consolidated financial statements.

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.

IFRS 16 – Leases

IFRS 16 introduces a single accounting model for the recognition of leases in the financial statements of lessees. 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). There are exemptions for short-term leases and leases of low-value assets. Lessor accounting remains comparable with the current standard, i.e., the lessor will continue to classify leases as finance leases or operating leases.

IFRS 16 replaces the existing standards and interpretations on leases, including IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The standard must be applied for the first time for financial years beginning on or after 1 January 2019.

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:

Lease liabilities

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
Nominal lease liabilities as at 1 July 2018	15,367
Discounting after recognition under IFRS 16	-394
Discounting of existing leases under IAS 17	-1,476
Lease liabilities as at 1 July 2018	13,497
Present value of liabilities from finance leases as at 30 June 2018	-8,695
Additional lease liabilities due to initial application of IFRS 16 as at 1 July 2018	4,802

The lease liabilities were discounted using the incremental borrowing rate as at 1 July 2018.

The weighted average discount rate was 3%.

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
	Amendments References to the Conceptual Framework in IFRS Standards	29 March 2018	1 January 2020	Immaterial
IFRS 3	Definition of a Business	22 October 2018	1 January 2020	Immaterial
IAS 1, IAS 8	Definition of Material	31 October 2018	1 January 2020	Immaterial
IFRS 17	Insurance Contracts	18 May 2017	1 January 2021	None
IFRS 10, IAS 28	Amendments, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	11 September 2014/ 18 December 2014	TBA	Immaterial

Restatements in accordance with IAS 8

The respective prior-year figures in the financial statements were restated retrospectively in accordance with IAS 8.42 due to the necessary change in the accounting policy applicable to agent and brokerage commissions for contract extensions and the initial recognition of players acquired on free transfers, which had previously been reported under prepaid expenses and reversed to other operating expenses, taking into account payments subject to a condition precedent.

Agent and brokerage commissions and other obligations in connection with contract extensions or players acquired on free transfers are now recognised as intangible assets. If these obligations are subject to certain conditions, 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.

The retrospective change in the accounting policy increased the prior-year consolidated net profit by EUR 3,243 thousand.

The changes are presented in the table below:

Consolidated statement of financial position

1 July 2017 EUR '000	Amount previously reported	Adjustment	Amount after adjustment
Total assets	478,597	4,038	482,635
Intangible assets	141,521	13,860	155,381
Prepaid expenses			
Non-current prepaid expenses	16,876	-3,344	13,532
Current prepaid expenses	16,518	-5,342	11,176
Deferred tax assets	1,136	-1,136	0
Total liabilities	166,295	0	166,295
Equity	312,302	4,038	316,340
Reserves	220,415	4,038	224,453

30 June 2018 EUR '000	Amount previously reported	Adjustment	Amount after adjustment
Total assets	478,331	7,281	485,612
Intangible assets	109,684	10,658	120,342
Prepaid expenses			
Non-current prepaid expenses	10,723	-386	10,337
Current prepaid expenses	16,655	-2,198	14,457
Deferred tax assets	793	-793	0
Total liabilities	142,027	0	142,027
Equity	336,304	7,281	343,585
Reserves	244,417	7,281	251,698

2017/2018 consolidated income statement

EUR '000	Amount previously reported	Adjustment	Amount after adjustment
Depreciation, amortisation and write-downs	-90,556	-7,776	-98,332
Other operating expenses	-206,496	10,676	-195,820
Result from operating activities	36,074	2,900	38,974
Profit before income taxes	31,751	2,900	34,651
Income taxes	-3,289	343	-2,946
Consolidated net profit for the year	28,462	3,243	31,705

The requisite restatements increased the basic and diluted earnings per share from EUR 0.31 to EUR 0.34 per share.

Please refer to Note 22 for disclosures on the effects on deferred taxes.

The consolidated statement of cash flows was restated as follows:

Reconciliation – 2017/2018 statement of cash flows

EUR '000	Amount previously reported	Adjustment	Amount after adjustment
Cash flows from operating activities	+158,367	+11,994	+170,361
Cash flows from investing activities	-130,732	-11,994	-142,726
Cash flows from financing activities	-17,468	0	-17,468
Cash and cash equivalents at the end of the period	+59,464	0	+59,464

Scope of consolidated financial statements

In addition to Borussia Dortmund GmbH & Co. KGaA, the consolidated financial statements include five fully consolidated subsidiary companies and one associated company accounted for using the equity method.

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 list of shareholdings as at 30 June 2019 was as follows:

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 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.

Shareholdings (30 June 2018)

	Registered office	Share capital (EUR '000)	Shareholding %	Equity (EUR '000) as at 30/06/2018	Net profit/loss (EUR '000) 01/07/2017 to 30/06/2018
Fully consolidated companies:					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	24
besttravel dortmund GmbH*	Dortmund	50	100.00	144	1,044
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	288
Sports & Bytes GmbH*	Dortmund	200	100.00	2,510	166
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	1,761
BVB Asia Pacific Pte. Ltd.	Singapore	66	100.00	131	29
Investments accounted for using the equity method					
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 consolidated financial statements as an associate on the basis of the net profit/loss reported as at 31 December 2017.

No interim financial statements were prepared for Orthomed GmbH as at 30 June 2019 due to the fact that there would be no material impact on the consolidated financial statements.

Please refer to Note 30 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 now recognised as intangible assets. If these obligations are subject to certain conditions, 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. 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 28 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 24 *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 service to a customer.

Income from transfer deals resulting from ordinary activities is reported under revenue at the date on which the match authorisation expires. The expenses associated with the transfer activities such as write-downs and incidental costs of disposal are reported as other operating expenses.

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.

Type of product/service	Primarily	Revenue recognition in accordance with IFRS 15	Revenue recognition in accordance with IAS 18
Match operations	Ticker proceeds	Revenue is recognised at a point in time (date of match).	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.	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.	Revenue is recognised over time; performance-based bonuses are recognised at a point in time.
Transfer deals	Services related to contract termination	Revenue is recognised at a point in time.	Revenue is 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.	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.	Revenue is recognised at a point in time.

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

Until September 2017, the Group was exposed to interest rate risks based on variable-rate loans; appropriate interest rate hedges were entered into to hedge these risks. Risk Control uses appropriate tools and methods to constantly monitor interest rate risk, and reports regularly to the management on current events. The objective of the risk strategy is to limit or eliminate interest rate risks. The strategy explicitly calls for the use of appropriate derivative financial instruments to hedge risks.

Sensitivity analysis (interest rate risk)

All interest rate swaps and variable-interest loans are included in the sensitivity analysis. On 30 September 2017, however, Borussia Dortmund decided that it would not make use of the planned bank financing for the purchase. Due to the elimination of the hedged item, the hedge was terminated as at the reporting date and it is no longer necessary to prepare sensitivity analysis.

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 27 for disclosures on the maturities of contractual cash flows.

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 24.

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 22 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 likelihood that these carry-forwards will be used is assessed on the basis of a four-year plan.

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	
	2018/2019	2017/2018*	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018*
EUR '000										
Total revenue	446,030	494,972	31,156	30,469	19,864	16,252	1,727	1,785	498,777	543,478
of which										
match operations	44,659	42,322	0	0	0	0	0	0	44,659	42,322
of which advertising	96,846	93,994	0	0	0	0	0	0	96,846	93,994
of which TV marketing	167,349	122,293	0	0	0	0	0	0	167,349	122,293
of which transfer deals	120,204	222,733	0	0	0	0	0	0	120,204	222,733
of which merchandising	0	0	31,156	30,469	0	0	0	0	31,156	30,469
of which conference, catering, miscellaneous	16,972	13,630	0	0	19,864	16,252	1,727	1,785	38,563	31,667
Total revenue	446,030	494,972	31,156	30,469	19,864	16,252	1,727	1,785	498,777	543,478
of which external	444,603	493,550	29,989	29,499	13,768	10,902	1,163	1,204	489,523	535,155
of which internal	1,427	1,422	1,167	970	6,096	5,350	564	581	9,254	8,323
Financial result	3,303	-690	0	1	0	0	-4	-4	3,299	-693
Share of profit from equity investments	0	0	0	0	0	0	0	0	0	0
of which profit and loss transfer	5,016	3,283	0	0	0	0	0	0	5,016	3,283
Net interest income/expense	-1,713	-3,973	0	1	0	0	-4	-4	-1,717	-3,976
of which interest expense	-2,716	-4,524	0	0	0	0	-4	-4	-2,720	-4,528
of which interest income	1,003	551	0	1	0	0	0	0	1,003	552
Depreciation, amortisation and write-downs	-90,637	-88,425	-1,767	-1,753	-34	-30	-14	0	-92,452	-90,208
Segment profit before taxes **	22,330	26,053	1,241	288	2,758	1,761	948	1,044	27,277	29,146
Capital expenditure	139,035	138,539	243	266	7	56	118	1	139,403	138,862
Segment assets ***	513,706	496,453	14,562	17,181	4,811	3,984	1,117	2,403	534,196	520,021
Segment liabilities	124,188	127,260	3,681	6,300	4,786	3,959	973	2,259	133,628	139,778
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

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.

** before profit or loss transfer

*** KGaA segment includes EUR 21,034 thousand (previous year: EUR 31,072 thousand) in assets held for sale.

CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1 July 2018 to 30 June 2019

The table below provides a reconciliation of the revenue, profit or loss before taxes, assets, liabilities and other key items for each segment.

EUR '000	Total		Other adjustments		Consolidated financial statements	
	2018/2019	2017/2018*	2018/2019	2017/2018*	2018/2019	2017/2018*
Total revenue	498,777	543,478	-9,253	-7,435	489,524	536,043
of which match operations	44,659	42,322	0	0	44,659	42,322
of which advertising	96,846	93,994	-33	-32	96,813	93,962
of which TV marketing	167,349	122,293	0	0	167,349	122,293
of which transfer deals	120,204	222,733	0	0	120,204	222,733
of which merchandising	31,156	30,469	-1,167	-970	29,989	29,499
of which conference, catering, miscellaneous	38,563	31,667	-8,053	-6,433	30,510	25,234
Total revenue	498,777	543,478	-9,253	-7,435	489,524	536,043
of which external	489,523	535,155	1	888	489,524	536,043
of which internal	9,254	8,323	-9,254	-8,323	0	0
Financial result	3,299	-693	-4,991	-3,630	-1,692	-4,323
Share of profit from equity investments	0	0	13	13	13	13
of which profit and loss transfer	5,016	3,283	-5,016	-3,283	0	0
Net interest income/expense	-1,717	-3,976	12	-360	-1,705	-4,336
of which interest expense	-2,720	-4,528	588	-360	-2,132	-4,888
of which interest income	1,003	552	-576	0	427	552
Depreciation, amortisation and write-downs	-92,452	-90,208	-30	-8,124	-92,482	-98,332
Segment profit before taxes **	27,277	29,146	-5,468	5,505	21,809	34,651
Capital expenditure	139,403	138,862	504	4,178	139,907	143,040
Segment assets ***	534,196	520,021	-34,125	-34,409	500,071	485,612
Segment liabilities	133,628	139,778	11,524	2,249	145,152	142,027
Investments accounted for using the equity method	96	96	226	213	322	309
Income from investments in associates	0	0	13	13	13	13

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.

** before profit or loss transfer

*** KGaA segment includes EUR 21,034 thousand (previous year: EUR 31,072 thousand) in assets held for sale.

The interest expense was adjusted as a result of the recognition of lease agreements as finance leases. 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	
	2018/2019	2017/2018*	2018/2019	2017/2018*	2018/2019	2017/2018*
Segments total	27,277	29,146	534,196	520,021	133,628	139,778
Profit from other companies	114	219	0	0	44	0
Other IFRS adjustments	-7,469	2,386	-3,098	0	2,679	0
IAS 8 adjustments	0	2,900	0	7,281	0	0
IFRS 16 adjustments	417	0	9,258	0	11,508	0
IFRS 9 adjustments	604	0	7	0	0	0
IFRS 15 adjustments	21	0	21	0	37	0
Consolidation of long-term financial assets	0	0	-11,596	-13,606	0	0
Stadium buildings plus other assets	845	0	-28,717	-28,084	0	0
Other consolidation	0	0	0	0	-2,744	2,249
	21,809	34,651	500,071	485,612	145,152	142,027

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.

The Borussia Dortmund GmbH & Co. KGaA segment exceeded the 10% threshold stipulated in IFRS 8.34 for three customers by a total of EUR 232,212

thousand (previous year: 3 customers, EUR 265,065 thousand). 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	
	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018
Total revenue – 10% threshold	232,212	265,065	0	0	0	0	0	0	232,212	265,065
of which match operations	0	0	0	0	0	0	0	0	0	0
of which advertising	50	50	0	0	0	0	0	0	50	50
of which TV marketing	166,220	90,558	0	0	0	0	0	0	166,220	90,558
of which transfer deals	64,077	173,189	0	0	0	0	0	0	64,077	173,189
of which merchandising	0	0	0	0	0	0	0	0	0	0
of which conference, catering, miscellaneous	1,865	1,268	0	0	0	0	0	0	1,865	1,268

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 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 2019 amounting to EUR 0 thousand (previous year: EUR 33 thousand) was recognised under other financial liabilities.

The carrying amounts of financial assets and liabilities to which IFRS 7 applies are generally identical to their fair values. There are deviations in the transfer receivables from factoring amounting to EUR 270 thousand, non-current lease liabilities amounting to EUR 582 thousand and current lease liabilities amounting to EUR 36 thousand.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(1) Intangible assets

EUR '000	30/06/2019	30/06/2018*
Player registrations	161,412	119,441
Industrial property rights and similar rights	2,298	901
	163,710	120,342

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.

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 3.07 years (30 June 2018: 3.45 years).

Changes in intangible assets were as follows:

EUR '000	Player registrations	Industrial property rights and similar rights	Total
Cost			
As at 1 July 2017	246,648	2,474	249,122
Additions	134,084	346	134,430
Disposals	89,708	0	89,708
Reclassification to assets held for sale	87,285	0	87,285
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
Depreciation, amortisation and write-downs			
As at 1 July 2017	92,110	1,631	93,741
Additions	86,888	288	87,176
Disposals	38,487	0	38,487
Reclassification to assets held for sale	56,213	0	56,213
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
Carrying amounts			
As at 1 July 2017	154,538	843	155,381
As at 30 June 2018*	119,441	901	120,342
As at 30 June 2019	161,412	2,298	163,710

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.

(2) Property, plant and equipment

EUR '000	30/06/2019	30/06/2018
Land, land rights and buildings including buildings on third-party land	156,013	158,897
Other equipment, operating and office equipment	27,988	21,796
	184,001	180,693

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. The investments at the training ground in Dortmund-Brackel included measures to modernise the football pitches and the technical equipment in order to improve the training conditions. A property located at the Saint-Barbara-Allee was purchased and an additional pitch was opened in Dortmund-Brackel in connection with the project to expand BVB's training centre.

Maintenance work was performed on the various levels of SIGNAL IDUNA PARK and medical facilities were installed. In addition, investments were made in the stadium's security areas, in expanding the catering areas and in modernising the stadium's flood lights.

After purchasing the administration building at the Rheinlanddamm address in the previous year, various renovation projects were commissioned in order to use the offices as efficiently as possible.

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, the youth academy and the Wi-Fi equipment at SIGNAL IDUNA PARK. In addition, Borussia Dortmund's fan shops were recognised in connection with the adoption of IFRS 16.

As at 30 June 2019, the following right-of-use assets related to the corresponding items in the statement of financial position:

	Net carrying amounts
EUR '000	30/06/2019
Buildings	7,077
Operating and office equipment	2,181
	9,258

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

Net carrying amounts of EUR 6,028 thousand were recognised in the previous year, of which EUR 3,931 thousand was attributable to buildings and EUR 2,097 thousand to operating and office equipment.

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 3,063 thousand. These expenses are reported under depreciation, amortisation and write-downs.

The interest expense for lease liabilities amounted to 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 2017	249,921	60,815	310,736
Additions	4,474	3,169	7,643
Disposals	259	384	643
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
Depreciation, amortisation and write-downs			
As at 30 June 2017	89,267	36,805	126,072
Additions	5,972	5,184	11,156
Disposals	0	185	185
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
Carrying amounts			
As at 30 June 2017	160,654	24,010	184,664
As at 30 June 2018	158,897	21,796	180,693
As at 30 June 2019	156,013	27,988	184,001

(3) Investments accounted for using the equity method

The investment in Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (33.33%) with the financial statements as at 31 December 2018 is reported here.

EUR '000	30/06/2019	30/06/2018
Non-current assets	606	486
Current assets	462	535
Non-current liabilities	102	63
Current liabilities	177	210
Net assets	789	748
Group's share of net assets (33.33%)	263	250
Goodwill	59	59
Dividend received after 31 December 2018	0	0
Carrying amount of interest in associate	322	309
Revenue	3,947	3,791
Profit from continuing operations	41	38
Comprehensive income (33.33%)	13	13
Group's share of comprehensive income	13	13

EUR '000	30/06/2019	30/06/2018
Cash flows from operating activities	143	-25
Cash flows from investing activities	-242	-175
Cash flows from financing activities	39	-116
Net increase in cash and cash equivalents	-60	-316

(4) Financial assets

Long-term financial assets relate to long-term, interest-bearing borrowings classified as loans and receivables.

Please refer to Note 28 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 discussed in Note 13. As at 30 June 2019, the asset for the right of return of products amounted to EUR 21 thousand.

(5) Trade and other financial receivables

Trade and other financial receivables amounted to EUR 39,804 thousand, of which EUR 1,020 thousand (previous year: EUR 2,520 thousand) related to other financial receivables and EUR 38,784 thousand to trade receivables (previous year: EUR 60,114 thousand).

Trade receivables included EUR 32,641 thousand in transfer receivables (previous year: EUR 55,256 thousand).

Non-current

EUR '000	30/06/2019	30/06/2018
Trade receivables	9,743	39,653

Non-current trade receivables are discounted using the effective interest method and measured at

amortised cost. Please refer to Note 28 for information on the fair values of financial assets.

Current

EUR '000	30/06/2019	30/06/2018
Trade receivables	30,893	21,961
Less allowances	-1,852	-1,500
Net trade receivables	29,041	20,461
Other financial receivables	1,020	2,320
Receivables from related parties	0	200
	30,061	22,981

Trade receivables and other assets do not bear interest and mostly have a maturity of up to three

months. Please refer to Note 28 for information on the fair values of financial assets.

(6) Inventories

EUR '000	30/06/2019	30/06/2018
Inventories/merchandise	5,235	5,992
Less write-downs	-666	-404
Net inventories	4,569	5,588

The carrying amount of inventories carried at fair value less costs to sell was EUR 553 thousand (previous year: EUR 384 thousand).

Impairments of inventories are carried in the cost of materials.

(7) Cash and cash equivalents

EUR '000	30/06/2019	30/06/2018
Bank balances and cash-in-hand	55,865	59,464

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 assets were written down by

EUR 13,809 thousand (previous year: EUR 20,362 thousand) to their fair value less costs to sell (meaning the transfer income to be generated less transaction costs) and reclassified as held for sale. The carrying amount of assets held for sale amounted to EUR 21,034 thousand (previous year: EUR 31,072 thousand). The impairment was recognised under depreciation and amortisation.

(9) Equity

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 on 29 November 2018.

The management will recommend to the Annual General Meeting that it resolve to distribute a dividend of EUR 0.06 (previous year: EUR 0.06) per share carrying dividend rights for financial year 2018/2019.

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 2017	92,000,000	-18,900	91,981,100
Change in treasury shares		0	
as at 30 June 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

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.

On 24 November 2014, the Annual General Meeting of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, with the consent of the Supervisory Board, resolved to revoke the existing authorisation to increase the share capital by utilising the remaining Authorised Capital 2010 in the amount of EUR 137,500.00, and at the same time resolved to issue a new authorisation to increase the share capital on one or more occasions by or before 23 November 2019 by up to EUR 23,000,000.00 ("Authorised Capital 2014").

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	30/06/2019	30/06/2018
Equity of shareholders	354,919	343,585
Share in total capital	70.97 %	70.75 %

(10) Provisions

The EUR 1,671 thousand in provisions recognised as at 30 June 2019 included provisions for litigation and liability risks relating to legal proceedings.

The outcome of the legal proceedings cannot be forecast with any certainty, meaning that the amount of the expected obligation is also uncertain. The Group bases its estimates of the potential losses on the assessments of its legal advisers as well as the experiences of the Group and third parties in similar cases in the past.

In financial year 2018/2019, the value in dispute was increased by EUR 100 thousand and the litigation costs by EUR 432 thousand.

After the court ruled in favour of Borussia Dortmund in the first instance, the plaintiff appealed the ruling. Therefore, the outcome of the proceedings remains uncertain. Accordingly, provisions amounting to EUR 7 thousand were utilised.

(11) Lease liabilities

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

EUR '000	30/06/2019	30/06/2018
Less than 1 year	3,614	2,444
Between 1 and 5 years	8,428	7,370
More than 5 years	838	357
	12,880	10,171
Future finance charges from leases	-1,372	-1,476
Present value of liabilities from leases	11,508	8,695

The change in the maturity structure of the present values of lease liabilities was as follows:

Lease liabilities

EUR '000	30/06/2019	30/06/2018
Less than 1 year	3,127	1,969
Between 1 and 5 years	7,591	6,384
More than 5 years	790	342
	11,508	8,695

(12) Trade payables

Trade payables amounted to EUR 62,150 thousand (previous year: EUR 64,321 thousand), of which EUR 48,521 thousand (previous year: EUR 54,475 thousand) related to transfer payables.

(13) Other financial obligations

EUR '000	30/06/2019	30/06/2018
Non-current		
Other	7,204	2,550
	7,204	2,550
Current		
Other taxes	8,106	11,334
Other	25,549	23,325
	33,655	34,659
Total other financial liabilities	40,859	37,209

Other non-current financial liabilities increased by EUR 4,654 thousand due to the rise in salaries for the professional squad. In addition, other financial liabilities include refund liabilities amounting to 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	30/06/2019	30/06/2018*
Non-current		
Deferred income related to professional squad	12,799	10,150
Insurance premiums	16	85
Other advance payments	1,072	102
	13,887	10,337
Current		
Deferred income related to professional squad	10,274	10,803
Insurance premiums	713	667
Other advance payments	4,039	2,987
	15,026	14,457

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.

Deferred income

EUR '000	30/06/2019	30/06/2018
Non-current		
Advance payments for agency and marketing rights	0	4,000
Advance payments for events	0	1
	0	4,001
Current		
Advance payments for agency and marketing rights	4,000	4,000
Advance payments received from ticket sales	16,718	16,715
Advance payments received from sponsors	3,365	843
Other advance payments	1,391	3,135
	25,474	24,693

Pursuant to an agency licensing agreement dated 18 June 2008, responsibility for the marketing of Borussia Dortmund was transferred to Lagardère Sports Germany GmbH, Hamburg (formerly

SPORTFIVE GmbH & Co. KG). The license fee received in advance is recognised as deferred income and will be carried in profit or loss on a straight-line basis over the 12-year term of the agreement.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(15) Revenue

EUR '000	2018/2019	2017/2018
Match operations	44,659	42,322
Advertising	96,813	93,962
TV Marketing	167,349	122,293
Transfer deals	120,204	222,733
Merchandising	29,989	29,499
Conference, catering, miscellaneous	30,510	25,234
	489,524	536,043

Revenue is generated primarily in Germany. It includes prior-period revenue of EUR 4,706 thousand (previous year: EUR 3,194 thousand). Prior-period revenue relates primarily to income from TV marketing and conference, catering and miscellaneous income. Write-downs amounting to EUR 21,262 thousand (previous year: EUR 51,221 thousand) were recognised in other operating expenses in connection with income from transfer deals.

(16) Other operating income

Other operating income increased by EUR 3,854 thousand year on year to EUR 7,746 thousand and includes reversals of write-downs amounting to EUR 2,377 thousand and prior-period income of EUR 3,650 thousand (previous year: EUR 1,104 thousand), of which EUR 2,991 thousand from the reversal of provisions.

(17) Cost of materials

Cost of materials increased by EUR 1,179 thousand to EUR 21,273 thousand. This item includes the cost of goods sold for BVB Event & Catering GmbH and BVB Merchandising GmbH.

(18) 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	2018/2019	2017/2018
Wages and salaries	197,681	179,765
Social security contributions	7,423	6,950
	205,104	186,715

During financial year 2018/2019, EUR 2,641 thousand was paid into the German statutory retirement pension system (previous year: EUR 2,395 thousand).

(19) Depreciation and amortisation

EUR '000	2018/2019	2017/2018*
Amortisation of intangible assets	79,659	87,176
Depreciation of property, plant and equipment	12,823	11,156
	92,482	98,332

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.

(20) Other operating expenses

EUR '000	2018/2019	2017/2018*
Match operations	47,318	39,824
Advertising	25,673	24,236
Transfer deals	43,612	96,981
Retail	5,981	6,832
Administration	26,201	22,254
Other	6,125	5,693
	154,910	195,820

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.

Other operating expenses include prior-period expenses in the amount of EUR 61 thousand (previous year: EUR 616 thousand).

(21) Financial result

EUR '000	2018/2019	2017/2018
Net income/loss from investments in associates (see Note (3))	13	13
Finance income		
Interest income from bank balances	0	1
Interest income in accordance with IFRS 9	291	0
Other interest income	136	551
	427	552
Finance costs		
Discounting expenses and other interest	-1,303	-4,528
Lease expenses	-599	-360
Interest expenses in accordance with IFRS 9	-230	0
	-2,132	-4,888
	-1,692	-4,323

(22) Income taxes and deferred taxes

All tax liabilities (EUR 811 thousand; previous year: EUR 1,962 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 30/06/2018*	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net as at 30/06/2019	Deferred tax assets	Deferred tax liabilities
Intangible assets	6,792	-6,781	0	0	11	11	0
Property, plant and equipment	-4,198	-887	0	0	-5,085	116	-5,201
Trade receivables and other assets	0	-28	263	0	235	235	0
Trade payables	-11,106	1,390	0	0	-9,716	738	-10,454
Tax loss carry-forwards	8,512	3,364	0	0	11,876	11,876	0
Total	0	-2,942	263	0	-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.

EUR '000	Net as at 01/07/2017*	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net as at 30/06/2018*	Deferred tax assets	Deferred tax liabilities
Intangible assets	-1,698	8,490	0	0	6,792	6,792	0
Property, plant and equipment	-3,148	-1,050	0	0	-4,198	91	-4,289
Derivatives	522	0	-522	0	0	0	0
Trade receivables and other assets	0	0	0	0	0	0	0
Trade payables	0	-11,106	0	0	-11,106	0	-11,106
Tax loss carry-forwards	4,324	4,188	0	0	8,512	8,512	0
Total	0	522	-522	0	0	15,395	-15,395

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.

Deferred taxes carried in other comprehensive income result in each case from cash flow hedges.

The income tax expense was made up as follows:

EUR '000	2018/2019	2017/2018*
Income taxes		
Current period	-1,742	-2,391
Prior period	266	581
Deferred tax benefit/expense in connection with the creation or reversal of temporary differences tax loss carryforwards not yet utilised	-6,306 3,364	-5,324 4,188
	-4,418	-2,946

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.

At the end of the reporting period, the Group had corporation tax loss carry-forwards amounting to EUR 0 thousand (previous year: EUR 20,737 thousand) and trade tax loss carry-forwards amounting to EUR 0 thousand (previous year: EUR 15,227 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	2018/2019	2017/2018*
Consolidated net profit before income taxes	21,809	34,651
<i>Theoretical tax rate in %</i>	<i>32.81</i>	<i>32.81</i>
Expected income tax payment	-7,156	-11,369
Effects of changes in tax rates		
Effects from tax additions and subtractions	2,486	1,295
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	2,928	5,596
Change in deferred taxes	-2,942	951
Prior-year taxes	266	581
Tax implications of accounting using the equity method	0	0
Tax payment as reported in the consolidated statement of comprehensive income	-4,418	-2,946
<i>Actual tax rate in %</i>	<i>20.26</i>	<i>8.50</i>

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements.

(23) Consolidated statement of cash flows

Cash and cash equivalents reported in the statement of financial position amounted to EUR 55,865 thousand (previous year: EUR 59,464 thousand).

Cash flows from operating activities amounted to EUR 144,525 thousand and included proceeds from transfer deals amounting to EUR 142,087 thousand.

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 2018	92,000	251,698	-113	8,695	37,209	389,489
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	-3,281	0	-3,281
Total change in cash flows from financing activities	0	-5,519	0	-3,281	0	-8,800
Other changes						
related to liabilities						
Change in other financial liabilities	0	0	0	0	3,650	3,650
Change in lease liabilities	0	0	0	6,094	0	6,094
related to equity						
Consolidated net profit for the year	0	17,391	0	0	0	17,391
Adjustment in connection with the application of IFRS 9	0	-538	0	0	0	-538
Total other changes related to liabilities	0	0	0	6,094	3,650	9,744
Total other changes related to equity	0	16,853	0	0	0	16,853
Balance as at 30 June 2019	92,000	263,032	-113	11,508	40,859	407,286

OTHER DISCLOSURES

FINANCIAL RISKS

(24) 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	2018/2019	2017/2018
Financial assets, receivables and other financial receivables	41,657	63,350
Cash and cash equivalents	55,865	59,464

Borussia Dortmund applies the simplified approach for trade receivables and measures the lifetime expected credit losses at initial recognition according to the respective risk group and taking into account the historical credit 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).

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 was as follows as at 30 June 2019:

EUR '000	2018/2019	2017/2018
Loss allowances as at 1 July in accordance with IAS 39	1,500	417
Adjustment in connection with the initial application of IFRS 9	11	0
Loss allowances as at 1 July in accordance with IFRS 9	1,511	417
Transfers recognised in profit or loss	860	1,213
Reversals recognised in profit or loss	-94	-83
Items recognised outside profit or loss	-431	-47
Loss allowances in accordance with IFRS 9	6	0
Loss allowances as at 30 June	1,852	1,500

The maturities of trade receivables as at the end of the reporting period were as follows:

Maturity analysis of receivables

EUR '000	2018/2019	2017/2018
Not yet due	38,437	60,877
Less than 30 days past due	1,301	1,623
Between 30 and 89 days past due	66	134
More than 90 days past due	0	0
	39,804	62,634

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 at 30 June 2019, 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 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

(25) Interest rate risk

As at 30 June 2019, Borussia Dortmund's portfolio only included non-derivative financial instruments bearing fixed interest. 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 28.

Carrying amounts of non-derivative interest-bearing financial instruments

EUR '000	30/06/2019		30/06/2018	
	Fixed interest	Variable interest	Fixed interest	Variable interest
Financial assets, receivables and other financial receivables	41,657	0	63,350	0
Financial liabilities from leases	11,508	0	8,695	0

(26) 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 IAS 39

EUR '000	2017/2018
Loans and receivables	1,682
Of which net interest expense/income	552
Financial liabilities	-4,888
Of which net interest expense/income	-4,888
Net gains/losses from financial instruments	-3,206
Of which net interest expense/income	-4,336

Measurement category in accordance with IFRS 9

EUR '000	2018/2019
Financial assets measured at amortised cost	-923
Of which net interest expense/income	-156
Financial assets measured at fair value through profit or loss	58
Of which net interest expense/income	61
Financial liabilities measured at amortised cost	-1,610
Of which net interest expense/income	-1,610
Net gains/losses from financial instruments	-2,475
Of which net interest expense/income	-1,705

(27) 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

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

Maturities of contractual cash flows from financial liabilities in 2018

EUR '000	Lease liabilities	Trade payables	Total
2018/2019	2,444	54,597	57,041
2019/2020	2,210	9,668	11,878
2020/2021	1,511	56	1,567
2021/2022	1,511	0	1,511
2022/2023	2,138	0	2,138
2023 and beyond	357	0	357
	10,171	64,321	74,492

(28) Fair values of financial instruments by class and category

The table below provides a reconciliation of the individual classes and categories of IAS 39 to the items of the statement of financial position and the fair values as at 30 June 2018:

EUR '000	Carrying amount 30/06/2018	Fair value 30/06/2018
Non-current financial assets		
Loans and receivables	71	71
Non-current trade and other receivables		
Loans and receivables	39,653	39,653
Current trade and other receivables		
Loans and receivables	23,626	23,626
Cash and cash equivalents		
Loans and receivables	59,464	59,464
	122,814	122,814

EUR '000	Carrying amount 30/06/2018	Fair value 30/06/2018
Non-current financial liabilities		
Other financial liabilities	0	0
Other non-current financial liabilities		
Derivatives	0	0
Other	2,550	2,550
Non-current liabilities from finance leases		
Financing liabilities	6,726	7,478
Non-current trade payables		
Other financial liabilities	9,724	9,724
Current financial liabilities		
Other financial liabilities	0	0
Current liabilities from finance leases		
Financing liabilities	1,969	1,969
Current trade payables		
Other financial liabilities	54,597	54,597
Other current financial liabilities		
Other financial liabilities	34,659	34,659
	110,225	110,977

Due to the reconciliation from IAS 39 to IFRS 9 as at 30 June 2019, financial instruments under IFRS 7 were reclassified in line with the format of the statement of financial position. 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 2019:

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		
Other non-current financial liabilities	0	0
Non-current lease liabilities	8,381	8,963
Non-current trade payables	1,500	1,500
Other trade payables	7,204	7,204
Current lease liabilities	3,127	3,163
Current trade payables	60,650	60,650
Other current financial liabilities	33,655	33,655
Total	114,517	115,135

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 all aforementioned financial instruments 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 takes 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 2019: 2.85%). 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 2018)	32,175
Additions	4,750
Disposals	-32,175
Gains/losses recognised through profit or loss	261
Other changes in connection with initial application	-531
Carrying amount of receivables intended for factoring (30/06/2019)	4,480

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.

(29) 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.

(30) 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 34 and 36 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	2018/2019	2017/2018
Transactions with BV. Borussia 09 e.V. Dortmund		
Rental income	329	329
Income from other services	384	398
Income from ticket sales	10	4
Interest income	0	4
Transactions with Borussia Dortmund Geschäftsführungs-GmbH		
Expense from costs recharged	6,099	5,121
of which from executive remuneration falling due	5,273	4,389
Transactions with Orthomed GmbH		
Expense from other services	300	258

EUR '000	30/06/2019	30/06/2018
Other current and non-current assets		
Intercompany account with BV. Borussia 09 e.V. Dortmund	0	200
Other current liabilities		
Intercompany account with BV. Borussia 09 e.V. Dortmund	451	0
Intercompany account with Borussia Dortmund Geschäftsführungs-GmbH	1,335	599

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 244 thousand (previous year: EUR 290 thousand). These transactions were conducted at arm's length.

(31) Other financial obligations

30/06/2019 (EUR '000)	Total	Due after		
		less than 1 year	1-5 years	more than 5 years
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.

30/06/2018 (EUR '000)	Total	Due after		
		less than 1 year	1-5 years	more than 5 years
Rental and lease payments	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
	138,513	25,035	70,401	43,077
Purchase commitments	64,650	37,450	27,200	0

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

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 57,236 thousand in variable

payment obligations under existing agreements with conditions precedent were reported as at 30 June 2019, of which EUR 31,983 thousand were due in less than one year.

(32) Events after the end of the reporting period

Transfer deals

Borussia Dortmund agreed to transfer Abdou Diallo to reigning French champions Paris Saint-Germain. He transferred with immediate effect. Sebastian Rode also left Borussia Dortmund, transferring to Bundesliga rivals Eintracht Frankfurt. Alexander Isak will play for Real Sociedad in Spain's first division beginning in the 2019/2020 season. Jeremy Toljan also left Borussia Dortmund on loan and will ply his trade in Italy with U.S. Sassuolo Calcio during the 2019/2020 season. FC Spartak Moscow in Russia secured a loan deal with a subsequent buy option for André Schürrle. Maximilian Philipp also left Borussia Dortmund and will play for FC Dynamo Moscow in Russia. Shinji Kagawa transferred to Real Zaragoza in Spain's Segunda División. Ömer Toprak is on loan to SV Werder Bremen for the 2019/2020 season.

Capital expenditure

Even before the new financial year had begun, Borussia Dortmund announced that it had signed four new players for the upcoming 2019/2020 season. At 26 years of age, Nico Schulz arrived from TSG Hoffenheim to help shore up the midfield in the upcoming season. Borussia Dortmund landed another midfield reinforcement in Thorgan Hazard from Bundesliga rivals Borussia Mönchengladbach. Germany international Julian Brandt joins from Leverkusen and can play in a variety of attacking positions. They all signed contracts with terms expiring on 30 June 2024. Mats Hummels, who previously played for Borussia Dortmund from 2008 to 2016, will return to the club for the upcoming season and signed a contract through 30 June 2022.

Match operations

Preseason training for the 2019/2020 season began on 3 July 2019. Borussia Dortmund once again toured the United States, from 15 to 21 July 2019.

The team beat the Seattle Sounders 1:3 before winning its second test match 2:3 against Liverpool FC.

Borussia Dortmund then held its training camp in Bad Ragaz, Switzerland, from 27 July 2019 to 2 August 2019. During its training camp, the team played one test match against Udinese Calcio and another test match against FC St. Gallen.

Borussia Dortmund officially kicked off the new season on 4 August 2019, presenting the team to the public and holding a variety of events in and around SIGNAL IDUNA PARK.

At the end of June 2019, DFL Deutsche Fußball Liga GmbH published the fixtures for the upcoming 2019/2020 season. Borussia Dortmund's first match of the season was a home match against FC Augsburg on 17 August 2019.

On 9 August 2019, Borussia Dortmund travelled to Düsseldorf and beat third-division side KFC Uerdingen 0:2 to advance on the next round of the DFB Cup.

Lucien Favre

Borussia Dortmund and head coach Lucien Favre came to an early agreement to extend his contract, which was set to end on 30 June 2020, until 30 June 2021.

Super Cup

On 3 August 2019, the DFL Super Cup was played at SIGNAL IDUNA PARK. Borussia Dortmund won its first silverware of the 2019/2020 season by beating FC Bayern Munich 2:0 at home.

Dr Werner Müller

Borussia Dortmund mourns the loss of Dr Werner Müller. The Deputy Chairman of the Supervisory Board of Borussia Dortmund passed away on 15 July 2019 in Essen at the age of 73. Dr Müller joined Borussia Dortmund's Advisory Board in 2006. He joined the Supervisory Board on 24 November 2014 and was appointed its Deputy Chairman on 23 November 2015.

Other

The Bundesliga's summer transfer window for the 2019/2020 season closes on Monday, 2 September, two days later than usual.

Eurosport, which currently holds the rights to broadcast Bundesliga matches live, has sublicensed these rights to the streaming service DAZN for the upcoming Bundesliga season. Having agreed to a partnership spanning several markets, both broadcasters also entered into an agreement, approved by DFL Deutsche Fußball Liga GmbH, to broadcast 45 Bundesliga matches in both the 2019/2020 and 2020/2021 seasons in Germany and Austria.

Borussia Dortmund's Sustainability Report for the 2018/2019 season will be published online on 31 October 2019 at <https://verantwortung.bvb.de/en>.

In accordance with § 315e HGB, the following contains disclosures made due to specific requirements of German commercial law, to the extent that such disclosures are not contained in the Notes above.

(33) Average number of salaried employees

	2018/2019	2017/2018
Total	833	804
of which in the Athletics Department	269	257
of which trainees	16	18
of which other	548	529

(34) Management

Management remuneration

EUR '000	2018/2019	2017/2018
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	1,900	1,723
Other remuneration	38	44
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	934	784
Other remuneration	69	68
Carsten Cramer		
Fixed components		
Fixed remuneration	871	283
Other remuneration	52	17
	3,864	2,919

The members of management received remuneration within the meaning of IAS 24.17 (a) in the 2018/2019 financial year.

Based on the net profit for the year and the footballing success of the team, Hans-Joachim Watzke furthermore received EUR 720 thousand in performance-based remuneration (previous year: EUR 788 thousand). Based on the net profit for the year, Thomas Treß received EUR 344 thousand in

performance-based remuneration (previous year: EUR 314 thousand) and Carsten Cramer received EUR 344 thousand in performance-based remuneration (previous year: EUR 336 thousand). EUR 22 thousand in employer contributions to the German statutory retirement pension system were incurred (previous year: EUR 20 thousand).

(35) Auditors' fees

These were reported in accordance with the classification set out in IDW AcP HFA 36.

EUR '000	2018/2019	2017/2018
Audit services	220	189
Other audit-related work	93	133
Tax advisory services	6	3
Other services	392	129

Other advisory services relate to confirmations in connection with licensing procedures and the audit of the sustainability report.

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 and audited the separate non-financial Group report.

The advisory services surrounding the General Data Protection Regulation and the selection of a new IT system, which were initiated in the previous year, were ramped up and concluded in the past financial year. This led to an increase in other services.

(36) Supervisory Board

The names of the members of the Company's Supervisory Board in the 2018/2019 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	Peer Steinbrück	Bernd Geske	Christian Kullmann	Dr Werner Müller	Ulrich Leitermann	Björn Gulden	Dr Reinhold Lunow	Silke Seidel
Chairman				Deputy Chairman				

RIGHT TO REMUNERATION IN 2018/2019 (EUR '000) [the members received all remuneration in accordance with IAS 24.17 (a) in the 2018/2019 financial year].

24	12	12	12	18	12	12	12	12
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OCCUPATIONS [as at 30 June 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 Hohenbuschei 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 30 June 2019]

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

(37) 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.

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

Of the shareholdings in our Company as at the 30 June 2019 reporting date, 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:

On 4 April 2018, Dimensional Holdings Inc., Austin, Texas, USA, filed notice that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.01% (2,770,661 shares) on 27 March 2018 and that under § 34 WpHG, all of those voting rights were attributable to Dimensional Holdings Inc.

On 16 March 2018, Dimensional Holdings Inc., Austin, Texas, USA, filed notice that its voting

interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.01% (2,770,661 shares) on 9 March 2018, as well as that under § 34 WpHG, 2.98% of the voting interest (2,745,825 shares) is attributable to Dimensional Holdings Inc. and that 0.03% of the voting interest (24,836 shares) was held under a right of recall in accordance with § 38 (1) sentence 1 no. 1 WpHG.

On 26 February 2018, Dimensional Holdings Inc., Austin, Texas, USA, filed notice that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.01% (2,770,661 shares) on 20 February 2018 and that under § 34 WpHG, all of those voting rights were attributable to Dimensional Holdings Inc.

(39) 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 10 September 2018 and made it permanently available to shareholders on the website at <http://aktie.bvb.de/eng>.

Dortmund, 13 August 2019

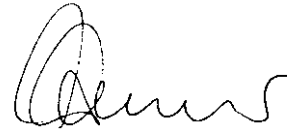
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

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 ("Borussia Dortmund") and its affiliated companies ("the Group"), which comprise the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 July 2018 to 30 June 2019, 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 1 July 2018 to 30 June 2019.

In our opinion, on the basis of the knowledge obtained during 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 at 30 June 2019, and of its financial performance for the financial year from 1 July 2018 to 30 June 2019, 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.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reser-

vations 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 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 Consolidated Financial Statements and of the Group 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 judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 July 2018 to 30 June 2019. 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 161.4 million are presented under intangible assets in the consolidated financial statements of Borussia Dortmund. Player registrations rose to EUR 161.4 million in the financial year ended due to additions of EUR 130.4 million, disposals of EUR 2.5 million, write-downs of EUR 71.6 million and reclassifications of EUR 14.3 million. Trade payables include transfer liabilities of EUR 48.5 million.

In the financial year, there was a retrospective adjustment made to the accounting for agent fees, brokerage commission and other expenses related to contract extensions or the signing of professional players on a free transfer. They are now recognised as intangible assets.

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 and 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 materialise.

OUR AUDIT APPROACH

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

In addition, we assessed the admissibility of the change to the accounting method regarding the recognition of agent fees, brokerage commission and other expenses for contract extensions or the signing of professional players on a free transfer. We evaluated the effects resulting from the retrospective change to accounting 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.

As part of subsequent measurement, we checked material transfer and agent agreements to assess whether conditions had occurred in financial year 2018/2019 triggering subsequent acquisition costs and additional liabilities from transfers and if there was corresponding recognition in the financial statements.

Furthermore, we examined material contract modifications or contract extensions for subsequent acquisition costs and additional liabilities and the appropriateness of adjustments to useful lives.

OUR OBSERVATIONS

Transfer and agent agreements were appropriately assessed in terms of measuring player registrations and 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 consolidated financial statements on accounting policies (Section: Impairment of financial assets and Recognition of income and expenses), 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 (15) Revenue).

THE CONSOLIDATED FINANCIAL STATEMENT RISK

In addition to the player registrations recognised, the transfer agreements also impact receivables and revenue from transfers. EUR 32.6 million of transfer receivables are shown under trade receivables in the consolidated financial statements of Borussia Dortmund. Revenue from transfers amounted to EUR 120.2 million in financial year 2018/2019.

Since 1 July 2018, Borussia Dortmund has been required to apply IFRS 15 Revenue from Contracts with Customers, which specifies a five-step model for recognising revenue. The transition to the new standard was carried out by applying the modified retrospective method.

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 consolidated financial statements that in the

case of player disposals, receivables from transfers and the related revenue are presented at too high an amount or not in the correct period.

OUR AUDIT APPROACH

Due to the first-time application of IFRS 15, we focused our audit procedures on the conformity of the accounting policies applied by Borussia Dortmund for the recognition of revenue from transfers with the five-step model of IFRS 15 for the recognition of revenue from contracts with customers.

With regard to player disposals from the professional squad, we substantiated the amount of transfer receivables and revenue by examining the material concluded transfer and agent agreements. The accuracy of transfer receivables and revenue recognised was assessed by verifying the calculation of receivables based on the contract provisions.

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 recognised 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 statement of comprehensive income (Section (18) 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 is responsible for the other information. The other information comprises the annual report, with the exception of the audited consolidated financial statements and group management report, the audited financial statements and management report and our auditor's reports.

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.

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 cancellation agreements. We checked the consistency of contracts consciously 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 recognised in the proper period regardless of the payment date.

OUR OBSERVATIONS

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

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

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements

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.

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

the Group or to cease operations, or there is no realistic alternative but to do so.

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 judgement and maintain professional scepticism 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 and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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 provide a separate audit opinion on the prospective information or the underlying assumptions. 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 at the annual general meeting on 26 November 2018. We were engaged by the Supervisory Board on 27 November 2018. 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, 13 August 2019
KPMG AG Wirtschaftsprüfungsgesellschaft



Fischer
Wirtschaftsprüfer
[German Public Auditor]



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, 13 August 2019

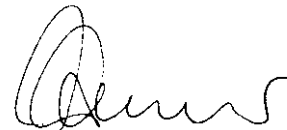
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



IMPRESSUM

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14 November 2019

Disclosure of the quarterly financial report – Q1 fiscal year 2019/2020

25 November 2019

Annual shareholders meeting 2019

For more information, go to: <http://aktie.bvb.de/eng>



