

REPORT OF THE SUPERVISORY BOARD

Due to the pandemic, Borussia Dortmund GmbH & Co. KGaA once again looks back on a difficult and challenging 2020/2021 financial year.

Borussia Dortmund's financial performance this 2020/2021 financial year has been severely impacted by the COVID-19 pandemic and the restrictions on public life imposed in its wake. The original assumptions – such as at least a partial return to fan attendance at the stadium during matches – have failed to materialise, particularly as the result of the third lockdown. Borussia Dortmund has nevertheless managed to limit somewhat the negative impact on earnings thanks in particular to its success in the UEFA Champions League and the DFB Cup.

Given the circumstances, Borussia Dortmund ultimately played a successful season. The team achieved one of the season's key objectives by once again directly qualifying for the group stage of the 2021/2022 UEFA Champions League, even though this was taxing and challenging for everyone involved, with most of the matches over the 34 match days played to empty stands due to the special match operations imposed in the wake of the pandemic. When the sporting objectives looked to be in jeopardy in the first half of the season, the club decided to replace head coach Lucien Favre with Edin Terzic. After gradually finding their rhythm, the team and Edin Terzic's coaching staff rediscovered success and rewarded themselves and the entire Borussia Dortmund fan base by winning the DFB Cup. On the heels of an unprecedented comeback, the team climbed back to third place in the Bundesliga, thereby directly qualifying for the group stage of the UEFA Champions League. The team put on a respectable performance in the 2020/2021 UEFA Champions League, reaching the quarter-finals and thus finishing in the top eight in Europe. An extraordinary debt of gratitude is owed to the sporting director, his team and the coaches for having brought the 2020/2021 season to a satisfactory

conclusion under such difficult conditions. We are also thrilled that Borussia Dortmund's second team was promoted to the third division in the 2020/2021 season, meaning that the club will now have two men's teams playing professional football in Germany in the 2021/2022 season.

The economic impact of the COVID-19 pandemic this past financial year was considerable. In the 2020/2021 financial year (1 July 2020 to 30 June 2021), Borussia Dortmund generated revenue of EUR 334.2 million (previous year: EUR 370.2 million). Consolidated total operating proceeds (revenue plus gross transfer proceeds generated) amounted to EUR 358.6 million (previous year: EUR 486.9 million). In the financial year ended, the consolidated net loss amounted to EUR 72.8 million (previous year: loss of EUR 44.0 million). Consolidated earnings before taxes (EBT) amounted to EUR -73.2 million (previous year: EUR -46.6 million); consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 39.0 million (previous year: EUR 63.0 million). In the separate financial statements of Borussia Dortmund GmbH & Co. KGaA prepared in accordance with the German Commercial Code (HGB), the Company reported a net loss for the year of EUR 76.5 million. In light of this earnings situation, it is not possible to propose a dividend distribution to the 2021 Annual General Meeting.

The management and entire staff of Borussia Dortmund have demonstrated that they are up to the task of managing the effects of the COVID-19 pandemic even when faced with difficult challenges. Therefore, we owe them all a debt of gratitude. Furthermore, the players, the sporting director and his team, the coaching staff, the managing directors and members of the Supervisory Board also helped to ease the situation by agreeing to forego a portion of their salaries.

The Supervisory Board unequivocally supports the management's decision, taken in close consultation with all of Borussia Dortmund's governing bodies, to reject the plans to create a "Super League" and instead, as resolved by the European Club Association (ECA), to implement the planned reform of the UEFA Champions League beginning in the 2024/2025 season. Borussia Dortmund shared exactly the same stance as all German clubs in the ECA, and an overwhelming majority of the club's fans, members and shareholders supported the decision.

There is no denying the fact that match operations must return to normal and spectators must be allowed back into stadiums in the medium term if the Company is to fully return to its business model. The pandemic will continue to affect the 2021/2022 season as well. The more spectators we can safely welcome back to SIGNAL IDUNA PARK, and the faster we can do so, the sooner we can shed the shackles of the pandemic. This will no doubt require great effort. However, due to the sufficient level of consolidated equity available and the Company's long-term focus, Borussia Dortmund is able to shoulder the losses sustained in financial year 2020/2021.

Supervisory Board activity, meetings

In the 2020/2021 financial year, the Supervisory Board closely monitored the status and development of the Company and the Group, in particular also in light of the COVID-19 pandemic. It exercised all of the rights and duties incumbent upon it by virtue of the law and the Articles of Association.

The Supervisory Board convened four ordinary meetings during the 2020/2021 financial year (on 7 September 2020, 19 November 2020, 22 February 2021 and 25 May 2021) and one

constituting meeting on 19 November 2020 following the 2020 Annual General Meeting. Due to the COVID-19 pandemic, of these in total five meetings, two were "virtual" meetings (video and conference calls), one was a "hybrid" meeting (i.e., some participants attended in person while others participated via video/conference calls) and two meetings were purely in-person meetings (due to the virtual Annual General Meeting). Attendance at the meetings was as follows in the reporting period:

- Ms Silke Seidel, Mr Bernd Geske, Mr Ulrich Leitermann, Mr Bodo Löttgen, Dr Reinhold Lunow and Mr Bjørn Gulden attended all five meetings (100% attendance rate in each case).
- Before stepping down from the Supervisory Board on 19 November 2020, Mr Peer Steinbrück attended both of the meetings that had been held prior to that date (100% attendance rate).
- Mr Christian Kullmann attended four meetings and sent his apologies for one (80% attendance rate).
- Following her election to the Supervisory Board on 19 November 2020, Ms Judith Dommermuth attended two of the meetings following the constituting meeting (66.6% attendance rate).
- Mr Gerd Pieper attended three meetings and sent his apologies for two (60% attendance rate).

Furthermore, two resolutions were also circulated and adopted in writing. The resolution on 6 July 2020 concerned the increase in the Company's overdraft facility, while the resolution on 13 November 2020 related to the appointment of Deputy Chairman Mr Christian Kullmann to chair the Annual General Meeting in accordance with Article 15 (1) of the Articles of Association.

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 did not form any committees in the reporting year.

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

The Supervisory Board advised and monitored the general partner and its managing directors on the management of the Company. The reports of the management and the Supervisory Board's enquiries

and deliberations formed a basis for this function. The Supervisory Board considers the management of the Company to be in compliance with the law and in proper order, it deems the internal control system, risk management system and internal audit system to be effective, and attests to the Company's corporate organisation and economic viability. Reports and consultations concerned in particular athletic performance in the 2020/2021 season, the expected reforms in connection with the German Act to Strengthen Financial Market Integrity (*Finanzmarktintegritätsstärkungsgesetz*, "FISG") and the management's intended stipulations regarding the proportion of women at the two management levels below the general partner.

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 2020/2021 (§ 111 (2) sentence 4 in conjunction with § 278 (3) AktG).

In addition, during the reporting year, the Supervisory Board reviewed the accounting and financial reporting, stipulation of the target proportion of women on the Supervisory Board and preparations for the Annual General Meeting in the previous year, specifically its proposals for resolutions and nominations for election for this Annual General Meeting and its approval of the general partner's decision to hold the 2020 Annual General Meeting in virtual form. 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.

2020/2021 Annual and Consolidated Financial Statements

The annual financial statements for Borussia Dortmund GmbH & Co. KGaA and the consolidated financial statements as at 30 June 2021 and the management report for the Company and the Group management report (each of which comprising the explanatory report on disclosures made pursuant to § 289a (1) and § 315a (1) of the German Commercial Code (*Handelsgesetzbuch*, "HGB") in the version pursuant to Article 83 (1) sentence 2 of the Introductory Act to the German Commercial Code (*Einführungsgesetz zum Handelsgesetzbuch*, "EGHGB")) were prepared and submitted in due time by the management and were audited, along with the bookkeeping system by the auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Dortmund ("KPMG"), in accordance with the statutory provisions, and were each issued an unqualified audit opinion. With respect to the risk early warning system, the auditor found that the management had taken the appropriate measures as required under § 91 (2) AktG, particularly with respect to establishing a monitoring system suited towards identifying risks early on which may jeopardise the Company as a going concern.

The annual and consolidated financial statements, the management report for the Company and the Group management report containing the risk report and the corresponding audit reports were submitted to all members of the Supervisory Board in due time. These documents were discussed in detail, explained and reviewed by the Supervisory Board at a meeting on 20 September 2021, with the management and the auditors and representatives 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 20 September 2021, the Supervisory Board approved the annual financial statements of Borussia Dortmund GmbH & Co. KGaA as at 30 June 2021 as well as the consolidated financial statements as at 30 June 2021.

Moreover, the Supervisory Board performed its own review of the report on relationships with affiliated companies (dependent company report) for the 2020/2021 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 2020/2021 financial year. In line with the statutory options and as in the

three preceding financial years, the general partner has chosen to prepare a separate non-financial Group report pursuant to § 315b (3) HGB that is not part of the Group management report, and to make this permanently available on the Company's website. The Supervisory board engaged KPMG to provide limited assurance over the separate Group non-financial statement. KPMG issued a limited assurance report based on this engagement. This means that, based on the work it performed and the evidence it obtained, nothing had come to KPMG's attention that caused it to believe that the separate non-financial Group report for the period from 1 July 2020 to 30 June 2021 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 20 September 2021, 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 2021 be adopted. In the annual financial statements (separate financial statements) prepared in accordance with German commercial law (HGB) as at 30 June 2021, the Company reported a net loss for the year of EUR 76,478,856.69 and net accumulated losses of EUR 126,141,140.59. This earnings situation means that the general partner and the Supervisory Board are not able to make a proposal to the Annual General Meeting on the appropriation of net profit, or to recommend that it resolve to distribute a dividend.

Moreover, the Supervisory Board proposes ratifying the actions of the general partner, Borussia Dortmund Geschäftsführungs-GmbH, for the 2020/2021 financial year.

Corporate governance

The Supervisory Board and the management of the general partner also dealt with issues of corporate governance during the reporting period.

The members of the Supervisory Board were and are provided with appropriate assistance upon taking up their positions and when participating in further or continuing education. For instance, the Company organised a continuing education course for the Supervisory Board during the reporting period on the accounting particularities of publicly traded football companies. All members of the Supervisory Board were also given access to inspect the Company's athletic, training and other facilities and match operations in line with pandemic-related rules and regulations. Since September 2020, all members of the Supervisory Board have been provided with a trade journal (including online content) for educational purposes.

The current Declaration of Conformity was adopted at the same time as the resolution on this report and relates to the German Corporate Governance Code in the version dated 16 December 2019, which was published in the Federal Gazette (*Bundesanzeiger*) on 20 March 2020. The full declaration is permanently available online at <http://aktie.bvb.de/eng>, under "Corporate Governance". Additional disclosures and explanations in this regard are made in the corporate governance declaration, including on the Supervisory Board's self-assessment of its tasks and work that it conducted in the reporting year.

Personnel matters

Mr Peer Steinbrück left the Supervisory Board at the close of the Annual General Meeting on 19 November 2020. The Supervisory Board would like to take this opportunity to sincerely thank him for his nearly ten years of service on the Board. The Supervisory Board thoroughly enjoyed working with Mr Steinbrück. His acumen and advice was universally appreciated.

The Annual General Meeting on 19 November 2020 elected Ms Judith Dommermuth as a new member to the Supervisory Board and re-elected all other members of the Supervisory Board in office during the reporting year.

In March 2021, the Executive Committee of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH and Chairman of the management, Hans-Joachim Watzke, agreed to extend his existing service agreement (originally set to expire on 31 December 2022) until 31 December 2025. Agreement was likewise reached with Managing Directors Thomas Treß and Carsten Cramer to extend their service agreements (originally set to expire on 30 June 2022 in each case) until 30 June 2025 in each case. The Supervisory Board welcomes this continuity in the management team in these particularly challenging times during the pandemic and looks forward to continuing its working relationship with the management team.

On 26 August 2021, Mr Gerd Pieper, who joined the Supervisory Board on 25 November 2003 and became its chairman on 2 November 2004, resigned from the Supervisory Board for health reasons, effective as at the end of 24 September 2021.

Consequently, at its meeting on 20 September 2021, the Supervisory Board appointed Mr Christian Kullmann, who had been the Deputy Chairman since the end of August 2019, as Chairman of the Supervisory Board and Mr Ulrich Leitermann as Deputy Chairman of the Supervisory Board, in each case with effect from 25 September 2021.

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

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

Dortmund, 20 September 2021

The Supervisory Board

Christian Kullmann
Deputy Chairman