



ANNUAL REPORT
2020/2021



OVERVIEW OF FINANCIAL PERFORMANCE INDICATORS

Borussia Dortmund KGaA (HGB)

EUR '000	2020/2021	2019/2020
Sales	323,497	442,126
Operating result (EBITDA)	33,557	54,264
Result from operating activities (EBIT)	-76,580	-51,283
Net loss for the year	-76,479	-49,662
Cash flows from operating activities	40,769	111,654
Free cash flow	-50,452	-48,718

Borussia Dortmund Group (IFRS)

EUR '000	2020/2021	2019/2020
Revenue	334,171	370,196
Consolidated total operating proceeds	358,577	486,884
Operating result (EBITDA)	38,950	62,992
Result from operating activities (EBIT)	-72,093	-43,138
Net profit/net loss for the year	-72,810	-43,953
Cash flows from operating activities	15,947	-362
Free cash flow	-46,075	-51,131





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Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

Dear Shareholders,

The pandemic continues to pervade all aspects of our daily lives, and it is also taking its toll on professional football. The past financial year was marked by empty terraces and an eerie silence. It was not just Borussia Dortmund's earnings that suffered – a net loss was bad enough –, there was also a palpable yearning for emotion, passion and togetherness.

Our players thrive on the passion of their supporters like no other, and it is precisely these exceptional circumstances that make us so proud of them. We had to find other ways to make up for the unique atmosphere at SIGNAL IDUNA PARK that has lifted us to many a victory. With that in mind we are pleased to have once more qualified for the UEFA Champions League and delighted to have won the DFB Cup in such convincing fashion.

I would also like to thank the team behind the team. The way we came together to deal with this

situation was impressive. Separated as we often are by remote working, we have nevertheless all closed ranks to overcome the crisis.

Even though COVID-19 continues to dominate the world around us, we are very confident that real progress will soon be made in getting things back to normal. The key remains to vaccinate people against this virus, and we are convinced that a high vaccination rate will pave the way back to normal life. By setting up the vaccination centre at our stadium, we are gladly doing what we can to ensure hassle-free access to vaccines. For that reason, I would like to close with this message: Get yourselves vaccinated – every full vaccination is a step towards overcoming this pandemic.

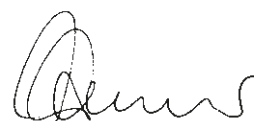
We look forward to enjoying football in its purest form again as soon as we can – full of emotion, full of real love and together in the stadium!



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



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 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

EXECUTIVE BODIES

BV. BORUSSIA 09 e.V. DORTMUND

Chairman

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

BORUSSIA DORTMUND GmbH & Co. KGaA

Supervisory Board

Gerd Pieper	Chairman
Retired; former Managing Director of Stadt-Parfümerie Pieper GmbH, Herne	
Peer Steinbrück	(until 19 November 2020)
Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	
Bernd Geske	
Managing partner of Bernd Geske Lean Communication, Meerbusch	
Christian Kullmann	Deputy Chairman
Chairman of the Executive Board of Evonik Industries AG, Essen	
Ulrich Leitermann	
Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group, Dortmund	
Bjørn Gulden	
Chief Executive Officer of PUMA SE, Herzogenaurach	
Dr. Reinhold Lunow	
Medical Director of Praxisklinik Bornheim, Bornheim	
Silke Seidel	
Senior Executive at Dortmunder Stadtwerke Aktiengesellschaft and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund	
Bodo Löttgen	
Chair of the CDU parliamentary group in the state parliament of North Rhine-Westphalia, detective chief inspector (Kriminalhauptkommissar) (ret.), public administration graduate	
Judith Dommermuth	(since 19 November 2020)
Managing partner of JUVIA Verwaltungs GmbH, Cologne	

BORUSSIA DORTMUND GESCHÄFTSFÜHRUNGS-GmbH

Management

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

CORPORATE STRUCTURE**BORUSSIA DORTMUND GmbH & Co. KGaA**

100.00%	BVB Stadionmanagement GmbH
100.00%	BVB Merchandising GmbH
100.00%	BVB Event & Catering GmbH
100.00%	besttravel dortmund GmbH
100.00%	BVB Asia Pacific Pte. Ltd.
100.00%	BVB Fußballakademie GmbH
33.33%	Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH

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

SHARE PRICE PERFORMANCE

During the reporting period for the 2020/2021 financial year (1 July 2020 to 30 June 2021), the performance of BVB shares was adversely influenced primarily by the ongoing effects of the SARS-CoV-2 (COVID-19) pandemic, which could not be adequately offset by the Company's positive sport-related and business announcements (unless indicated otherwise, the following data is based on the closing price of shares in XETRA trading in shares of Borussia Dortmund; where necessary, figures have been rounded up to the nearest hundredth).

The shares in Borussia Dortmund GmbH & Co. KGaA kicked off the new 2020/2021 financial year at EUR 5.97 on 1 July 2020 (previous year: EUR 8.61) and fluctuated between EUR 5.55 and EUR 6.07 throughout the month of July 2020. On 4 August 2020, the Company announced that the Bundesliga had adopted an initial uniform set of guidelines to allow a limited number of fans back into stadiums in the 2020/2021 season. On that day, the shares were trading at EUR 5.70. On 17 August 2020, the Company announced the preliminary figures for the 2019/2020 financial year (see ad hoc disclosure from the same date) and consolidated total operating proceeds (revenue plus gross transfer proceeds generated) of EUR 486.9 million (previous year: EUR 489.5 million). In the financial year ended, the consolidated net loss amounted to EUR 44.0 million (previous year: profit of EUR 17.4 million). The Company had already issued an earnings outlook on 29 June 2020 (see ad hoc disclosure

from the same date) and as such the news did not adversely affect the share price, which closed at EUR 5.70 on 17 August 2020. It lost ground slightly thereafter. The shares traded at EUR 5.61 on 31 August 2020. The share price recovered in the first half of September. BVB shares traded at EUR 5.72 on 1 September 2020, EUR 5.84 on 7 September 2020, EUR 5.85 on 15 September 2020 and EUR 6.28 on 16 September 2020. This was mainly due to the opening win in the DFB Cup and the prospect of some fans returning to matches (see corporate news dated 15 September 2020). However, initial reports that the pandemic was worsening then led to adverse market developments in general and a slide in Borussia Dortmund's share price in particular. BVB shares traded at EUR 5.70 on 21 September 2020, EUR 5.55 on 24 September 2020, EUR 5.42 on 28 September 2020 and EUR 5.13 on 30 September 2020.

This pandemic-induced trend then continued. BVB shares traded at EUR 5.03 on 1 October 2020, EUR 4.76 on 14 October 2020, EUR 4.42 on 16 October 2020 and EUR 4.39 on 20 October 2020. Four Bundesliga wins and two wins (as well as a loss) in the UEFA Champions League did little to reverse this trend. On 30 October 2020, BVB shares were listed at EUR 4.21 and on 2 November 2020 at EUR 4.33. The share price then began to recover slightly. On 6 November 2020, Borussia Dortmund GmbH & Co. KGaA released the preliminary first quarter figures for financial year 2020/2021 (see ad hoc disclosure from the same date). Shares in BVB traded at EUR 4.66 on the same date,

EUR 5.17 on 9 November 2020, EUR 5.31 on 16 November 2020, EUR 5.38 on 19 November 2020, the day of the virtual 2020 Annual General Meeting, EUR 5.68 on 23 November 2020 and EUR 5.95 on 27 November 2020. The team then produced inconsistent performances on the pitch in the month of December 2020. While in the end the team remained in the running across all competitions going into the winter break, unsatisfactory results in the Bundesliga, including the unexpected and resounding 1:5 defeat to VfB Stuttgart, unfortunately led to head coach Lucien Favre being released on 13 December 2020 and replaced by his assistant coach Edin Terzic. Shares traded at EUR 5.71 on 1 December 2020, EUR 5.88 on 9 December 2020 after the team advanced to the round of 16 of the UEFA Champions League, EUR 5.62 on 11 December 2020, EUR 5.47 on 14 December 2020, the day after head coach Lucien Favre was released, EUR 5.36 on 21 December 2020 and EUR 5.46 on 23 December 2020 after the team advanced to the round of 16 of the DFB Cup. The BVB shares ultimately closed out the 2020 calendar year at EUR 5.44 on 30 December 2020.

The shares of Borussia Dortmund kicked off the new 2021 calendar year at EUR 5.39 on 4 January 2021 after the team won its first match in the second half of the Bundesliga season on 3 January 2021. Following another win, the share price climbed to EUR 5.80 on 12 January 2021. However, the shares traded at EUR 5.14 on 29 January 2021 following a draw and two losses. The share price recovered in February 2021 on the heels of a

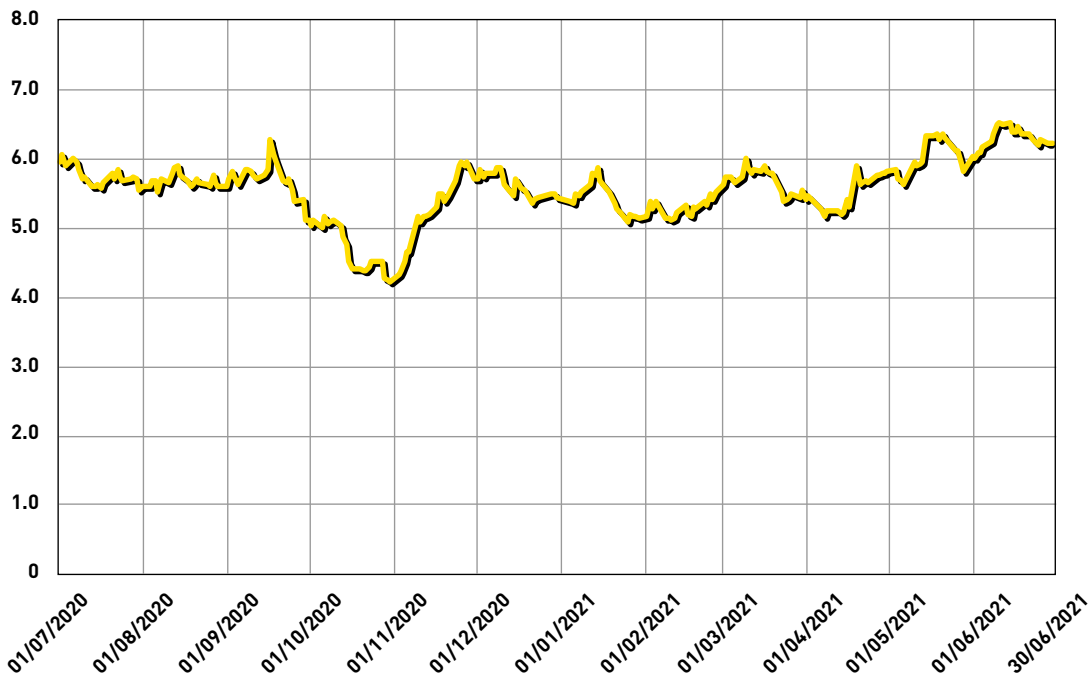
winning streak and the positive figures for the first half of the year. The BVB shares traded at EUR 5.18 on 1 February 2021. On 8 February 2021, the Company published the preliminary semi-annual figures (see ad hoc disclosure from the same date), announcing that it had generated positive earnings in the second quarter of the financial year despite the ongoing COVID-19 pandemic and the related lockdown measures. Consolidated total operating proceeds amounted to EUR 190.3 million in the first half of the financial year (previous year: EUR 297.4 million). In the first half of the financial year, the consolidated net loss amounted to EUR 26.3 million (previous year: profit of EUR 3.0 million). On this and the following trading day, BVB's shares closed at EUR 5.14. On 15 February 2021, Borussia Dortmund announced that Marco Rose would be the new head coach beginning in the 2021/2022 season (see corporate news from the same date). The share price jumped on the heels of this news and continued to increase. BVB shares traded at EUR 5.23 on 12 February 2021, EUR 5.33 on 15 February 2021, EUR 5.38 on 22 February 2021 and EUR 5.52 on 26 February 2021. The share price initially rose significantly as the team advanced to the quarter-finals of the UEFA Champions League and the Company published positive business announcements at the end of the reporting period, before declining again in March 2021. BVB shares traded at EUR 5.64 on 1 March 2021, EUR 5.75 on 4 March 2021, EUR 6.00 on 9 March 2021, EUR 5.91 on 16 March 2021, EUR 5.80 on 19 March 2021 and EUR 5.53 on 22 March 2021. On 29 March 2021, the Company announced that the service agreements

of the managing directors Hans-Joachim Watzke, Thomas Treß and Carsten Cramer had in each case been extended by three years (see ad hoc disclosure from the same date). The market responded positively to this announcement. On the same day, BVB shares traded at EUR 5.46, at EUR 5.56 on the following day, and at EUR 5.43 on 31 March 2021.

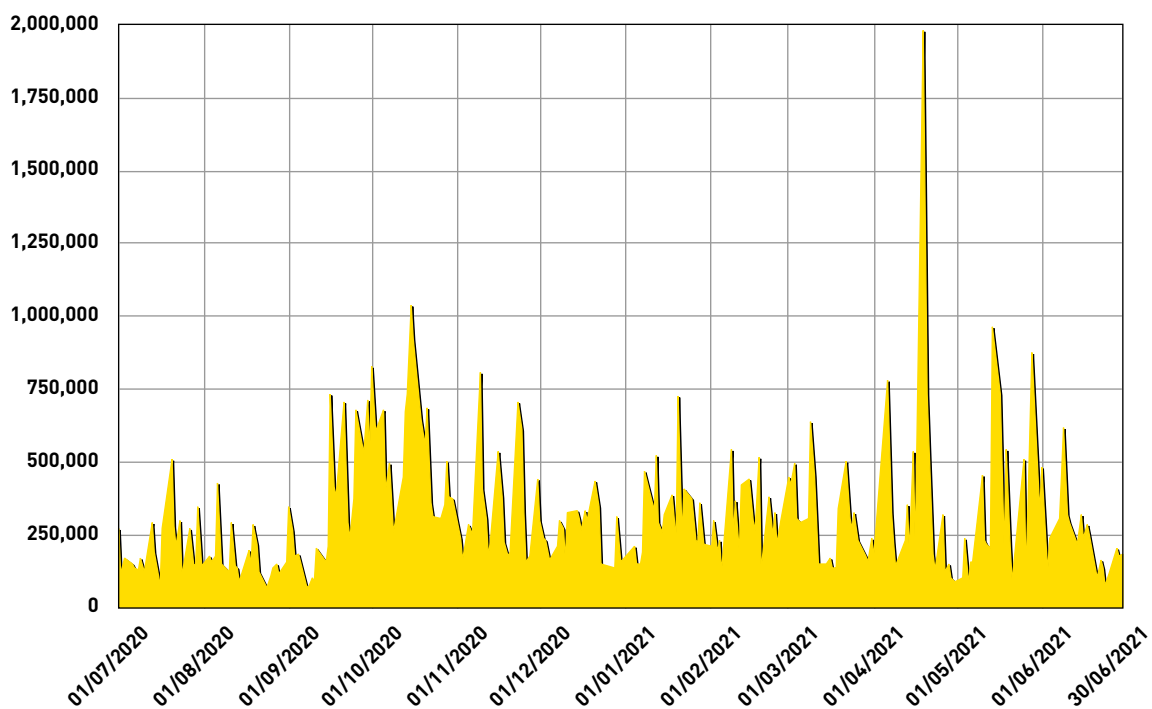
The BVB shares listed at EUR 5.48 on 1 April 2021. Following defeat at the hands of a direct Bundesliga rival in the battle to secure automatic qualification for the UEFA Champions League and with the team a sizeable seven points short of fourth place in the table, the share price dropped to EUR 5.27 on 6 April 2021 and EUR 5.19 on 7 April 2021. The share price then rebounded gradually as the club won the first of what turned out to be a run of victories culminating in the qualification for the UEFA Champions League. BVB shares traded at EUR 5.26 on 12 April 2021, EUR 5.42 on 15 April 2021, EUR 5.68 on 22 April 2021 and EUR 5.83 on 30 April 2021. This positive trend then continued into May 2021. The BVB shares traded at EUR 5.73 on 7 May 2021. On 10 May 2021, the Company announced its preliminary figures for the third quarter (see ad hoc disclosure from the same date), with BVB's shares trading at EUR 5.96

that day. The BVB shares traded at EUR 5.96 on 13 May 2021. After winning the DFB Cup that evening, they then traded at EUR 6.33 the following day, 14 May 2021. After the Bundesliga season was completed under the special conditions governing the special match operations, the Company on 25 May 2021 published an outlook of the key earnings figures for the 2020/2021 financial year and announced, among other things, that Borussia Dortmund expected to report consolidated EBITDA of approximately EUR 33.0 million and a consolidated net loss of approximately EUR 75 million for the overall 2020/2021 financial year (see ad-hoc disclosure from the same date). On that day, the BVB shares traded at EUR 6.11. BVB shares traded at EUR 6.12 on 26 May 2021, EUR 6.01 on 1 June 2021, EUR 6.17 on 4 June 2021 and reached their high for the reporting period of EUR 6.54 on 10 June 2021. The reporting period ended with BVB's shares trading at EUR 6.22 on 30 June 2021 (previous year: EUR 5.78).

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 2021:

- Evonik Industries AG: 9.83%
- Bernd Geske: 9.35%
- Ballspielverein Borussia 09 e.V. Dortmund: 5.53%
- SIGNAL IDUNA: 5.43%
- Ralph Dommermuth Beteiligungen GmbH: 4.99%*
- PUMA SE: 4.99%*
- Free float: 69.86%

** The shareholdings of these shareholders are formally included in the free float.*

SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES

As at 30 June 2021, one member of management held 7,045 no-par value shares in the Company. As at the same date, the members of the Supervisory Board held a total of 8,602,009 no-par value shares.

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

INVESTOR RELATIONS

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

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

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

Another objective of ours in financial year 2020/2021 was to continue to foster communication with the capital markets. The Annual Press Conference on the preliminary figures of the 2019/2020 financial year was held in Dortmund on 17 August 2020. The Company also held an analyst conference on the same day in Frankfurt am Main. Both of these were held as "hybrid" events with a limited number of attendees. The Company also held group and one-on-one conference calls or online meetings (due to the pandemic) with representatives of the capital market during the reporting period, for instance as part of the Equity Forum on 16 November 2020 in Frankfurt am Main, and took part in roadshows (via online meetings) in Munich on 22 September 2020 (organised via Berenberg), in London on 14/15 October 2020 (organised via Edison), in Madrid on 12 November 2020 and in London on 30 November 2020 (in each case organised via Berenberg), in Israel on 1 December 2020 (organised via Edison), in the United States on 10 December 2020 (organised via Stifel), on 17 March 2021 for the Berenberg Virtual DACH & Nordic Conference (organised via Berenberg), on 23 March 2021 for the Edison Virtual Roadshow, USA (organised via Edison), on 11 May 2021 for the Stifel Virtual Roadshow, Europe (organised via Stifel), on 18 May 2021 for the Berenberg Tarrytown Conference, USA

(organised via Berenberg), and on 26/27 May 2021 for the virtual Roadshow Europe & UK (organised via Berenberg).

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

- Frankfurt Main Research AG, Frankfurt am Main
Most recent research update: 6 July 2021,
Recommendation: "Buy" (previously: "Buy")
- Joh. Berenberg, Gossler & Co. KG ("Berenberg"),
Hamburg
Most recent research update: 19 May 2021,
Recommendation: "Buy" (previously: "Buy")
- Stifel Europe Bank AG, Frankfurt am Main
Most recent research update: 10 May 2021,
Recommendation: "Hold" (previously: "Hold")
- Edison Research Investment Ltd., London, UK
Most recent research update: 10 February 2021,
Recommendation: "n/a"
- GSC Research GmbH, Düsseldorf
Most recent research update: 16 November
2020, Recommendation: "Buy" (previously: "n/a")

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

Stifel Europe Bank AG (previously MainFirst Bank AG) was our Company's designated sponsor during the reporting period.

CORPORATE GOVERNANCE REPORTING

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

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

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

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

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

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

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

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

- Borussia Dortmund GmbH & Co. KGaA does not have an executive board. Instead, the general partner, Borussia Dortmund Geschäftsführungs-GmbH, is solely responsible for its management and representation. This German limited liability company (*Gesellschaft mit beschränkter Haftung*, "GmbH") is in turn represented by one or more managing directors; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.
- The rights and duties of the KGaA's Supervisory Board, which is appointed by the Annual General Meeting, are limited. Specifically, it has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements. Nor is the Supervisory Board authorised to adopt internal rules of procedure or a list of transactions requiring

its consent on behalf of the general partner. Rather, such rights and duties are vested in the governing bodies of Borussia Dortmund Geschäftsführungs-GmbH, namely its Advisory Board and the Executive Committee created by the Advisory Board.

- Additional features specific to the KGaA's Annual General Meeting are set forth primarily in §§ 285 and 286 (1) AktG and in the Company's Articles of Association.

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

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

- The Code makes various recommendations to the Supervisory Board in respect of executive board remuneration, namely G.4, G.8 and G.13 of the Code. The Code makes a large number of other recommendations to the Supervisory Board in respect of the remuneration system for executive board members and/or the structure of their individual remuneration. As follows from the

justification to the Code given by the Government Commission, all of these recommendations are based, either in substance or method, on the statutory provisions for a German stock corporation (*Aktiengesellschaft*) under § 87 (1) of the German Stock Corporation Act (*Aktiengesetz*, "AktG") and/or § 87a AktG, which entered into force on 1 January 2020. These statutory provisions are not applicable to our Company – either directly or *mutatis mutandis* – on account of its legal form, which we believe was a conscious decision on the part of the legislator. As such, recommendations G.1 to G.3, G.5 to G.7, G.9 to G.13, G.15 and G.16 of the Code are likewise not applicable to our Company. By contrast, Article 7 of the Company's Articles of Association stipulates that the general partner has a right to reimbursement of the staff and materials expenses incurred by it in the course of managing the Company, plus a commission amounting to 3% of the net profit for the year generated by the Company. Otherwise, the fixed and variable remuneration for the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH was and is resolved by the Executive Committee formed by that company, which also reviews the Managing Directors' employment agreements for appropriateness and compliance with standard market practice when entering into or extending them. For practical reasons, the recommendations of the Code with respect to

the remuneration system for executive board members and/or executive board pay, and on the role of the Supervisory Board, which in some respects are considered to be over-regulation, have not been and will not be applied on a voluntary basis by the Executive Committee.

- We nevertheless disclose the remuneration of the individual Managing Directors of our Company's general partner, Borussia Dortmund Geschäftsführungs-GmbH, on a voluntary basis in the notes to the annual and consolidated financial statements. The version of § 285 no. 9 (a) sentences 5 *et seq.* HGB still applicable to annual and consolidated financial statements and (group) management reports for financial years beginning before 1 January 2021 in accordance with Article 83 (1) sentence 2 EGHGB is only applicable to listed stock corporations and the remuneration paid to the members of their executive boards, however not the KGaA legal form.

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

- Long-term succession planning within the meaning of recommendations B.1 and B.2, first half-sentence of the Code is the

responsibility of the Managing Directors of the Company and – given that the Supervisory Board has no authority to appoint or dismiss personnel – the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH. This planning takes place in regular dialogue between the management and the Executive Committee, which determine profiles of skills and expertise for management personnel based on the corporate strategy and internal corporate structure and management, and monitor relevant internal and external candidates. In this respect, scouting is something we use not just to find talented new footballers, but also in our human resource planning. Efforts are also ongoing within the Company to nurture up-and-coming management talent, for example by means of further education. The Company can also rely on its network and on outside service providers where necessary to recruit externally. The Executive Committee also acts to ensure sufficient diversity when staffing the management.

- In the case of the first-time appointment of Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH, the Executive Committee follows the recommendation B.3 of the Code, whereby executive board members at stock corporations should be appointed for a maximum of three years.

- We consider the President of the Executive Committee, Dr Reinhard Rauball, who addresses the remuneration of the Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH, to be independent within the meaning of the recommendation C.10 of the Code.
- In application *mutatis mutandis* of the recommendation D.7 of the Code, a regular time slot is reserved at Supervisory Board meetings for discussions without the Managing Directors of the general partner.
- Given that the Supervisory Board has no authority to appoint and dismiss Managing Directors of Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their service agreements, not it but rather the Executive Committee of Borussia Dortmund Geschäftsführungs-GmbH is responsible for consenting to sideline activities of the Managing Directors of the general partner within the meaning of recommendation E.3 of the Code.

The Declaration of Conformity must be made permanently available to shareholders on the Company's website. It is published on the investor relations website, <http://aktie.bvb.de/eng>, under "Corporate Governance". In addition, the Declaration of Conformity submitted in September 2021, 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 19 November 2020 as a virtual Annual General Meeting without the physical presence of the limited liability shareholders or their proxies. 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 87.11% and 99.97% of the votes cast.

The next Annual General Meeting of Borussia Dortmund GmbH & Co. KGaA will take place on 2 December 2021. Given the COVID-19 pandemic, this is expected to be held as a virtual Annual General Meeting without the physical presence of the limited liability shareholders or their proxies.

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

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

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

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

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

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

Dortmund, 20 September 2021

On behalf of the Supervisory Board

Christian Kullmann
Deputy Chairman

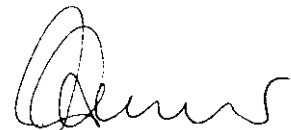
On behalf of Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (CEO)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

DECLARATION OF CONFORMITY

by the management and by the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA in accordance with § 161 AktG dated 20 September 2021

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

Re recommendation A.2 sentence 2 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. No formal whistleblower system was put in place at our Company to date because the other opportunities

to report violations of the law or internal Company guidelines, including where necessary in confidence, were considered sufficient and reasonable. Nevertheless, an institutionalised whistleblower system for Group employees and third parties will now be put in place during the second half of the 2021/2022 financial year. The requisite preparations have already been made to put the system in place.

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

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

Re recommendations C.1 sentences 1 to 4 and C.2:

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

Re recommendation C.5, second half-sentence:

This recommendation states that members of the management board of a listed company shall not accept the chairmanship of a supervisory board of a non-group listed company. Supervisory Board member Mr Christian Kullmann is the Chairman of the Executive Board of listed company Evonik Industries AG in Essen and will take up the position of Chairman of the Supervisory Board at our Company with effect from 25 September 2021 after having been elected at the meeting of the Supervisory Board on 20 September 2021. The Supervisory Board is convinced that Mr Kullmann has sufficient time available to discharge his duties, particularly given that he does hold any other positions covered by this recommendation. In addition, his considerable experience in corporate management, his deep understanding of business and his top-quality contacts, both in Germany and abroad, have made and will continue to make a key contribution to the effective work of the Supervisory Board, firstly as Deputy Chairman from August 2019 to date and going forward as Chairman. Following

consideration, it is therefore considered reasonable to deviate from this recommendation.

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

Re recommendations D.2, D.3 and D.5: To date, the Supervisory Board has not formed committees. It was the Supervisory Board's intention for all topics to be discussed by the Supervisory Board as a whole. This continues to apply to waiving the formation of a nomination committee as recommended in the Code, particularly given that the Supervisory Board already comprises solely shareholder representatives – which is a requirement of the Code when forming a nomination committee. By contrast, the Supervisory Board will form an audit committee, at the latest at its final meeting of 2021.

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

Dortmund, 20 September 2021

On behalf of the Supervisory Board

Christian Kullmann
Deputy Chairman

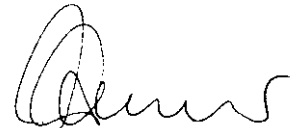
On behalf of Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (CEO)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



MANAGEMENT REPORT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund



**MANAGEMENT REPORT Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund
for the 2020/2021 financial year**

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

BUSINESS TREND

LOOKING BACK ON FINANCIAL YEAR 2020/2021

ATHLETIC PERFORMANCE

COVID-19 pandemic

The COVID-19 pandemic meant fewer spectators at games in the first Bundesliga division. Borussia Dortmund's first match of the season was against Borussia Mönchengladbach to a crowd of 6,918 on 19 September 2020, followed by home fixtures against SC Freiburg (10,548 spectators) and FC Schalke 04 (272 spectators). As the pandemic progressed, the rest of the season was played behind closed doors.

Bundesliga

Borussia Dortmund chalked up 64 points in the 2020/2021 Bundesliga season to finish in third place and qualify directly for the group stage of the UEFA Champions League in the 2021/2022 season.

UEFA Champions League

Borussia Dortmund advanced from the group stage to the round of 16 of the UEFA Champions League after finishing top of group F with four wins, one draw and one loss. The team celebrated a 3:2 victory in the first leg against Sevilla FC before drawing 2:2 at home to reach the quarter-finals, where it suffered close defeats to Manchester City in both legs and was knocked out of the competition.

DFB Cup

The team faced MSV Duisburg, Eintracht Braunschweig, SC Paderborn 07 and Borussia Mönchengladbach on its way to resounding victories against Holstein Kiel in the semi-final and RB Leipzig in the final. This was the fifth time that Borussia Dortmund has lifted the DFB Cup, and the team qualified for the DFL Super Cup in the 2021/2022 season.

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 considerable level of investment activity and the associated increase in depreciation, amortisation and write-downs. Therefore, EBITDA (EBIT adjusted for depreciation, amortisation and write-downs) was selected to better benchmark the Company's annual performance.

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

Free cash flow is defined as cash flows from operating activities plus cash flows from investing activities and is a key indicator used to ensure that cash flows from operating activities are sufficient to cover investments. Because Borussia Dortmund's strategic objective is to maximize sporting success without incurring new debt, free cash flow is a key

indicator for the club. In light of steadily growing transfer sums, free cash flow is thus becoming increasingly important. Furthermore, it is an indicator used to determine whether Borussia Dortmund has sufficient funds to finance the steady dividend payments to its shareholders. Therefore, Borussia Dortmund strives to continuously optimise free cash flow.

Non-financial performance indicators

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

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

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

The number of criteria varies and they are thus exchangeable. While any one factor may be of relevance during a given season, this may not necessarily be the case in subsequent years. New media in particular constantly provides new value drivers: for instance, the number of Facebook fans or page impressions represent relatively new indicators.

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

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

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

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

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT

Sponsorships

Since the beginning of the 2020/2021 season, Borussia Dortmund has had two kit sponsors. The team wears kits bearing the logo of Evonik Industries AG in all international club competitions, friendlies staged abroad and DFB Cup matches, while 1&1 Telecommunication SE is the kit sponsor for Bundesliga matches.

Borussia Dortmund's newest official Premium Partner for the next five years is DEW21 Dortmunder Energie- und Wasserversorgung GmbH. Both companies will leverage their proximity to one another to further strengthen their social and cultural outreach efforts in the city of Dortmund.

adesso SE is now the new primary and kit sponsor for Borussia Dortmund's youth squads. The Dortmund-based IT service provider will remain a sponsor until 2023, and from the 2021/2022 season onwards will also be the official kit sponsor for Borussia Dortmund's new women's team.

Borussia Dortmund extended its contract with its Champion Partner ROWE Marketing GmbH early until 30 June 2025.

In the 2020/2021 season, Borussia Dortmund also added Bybit (Wechain Fintech Pte. Ltd.) as a new Champion Partner.

The COVID-19 pandemic continued to impact sponsoring in the 2020/2021 season. The fact that matches were mostly held without spectators placed restrictions on match-day advertising and the

contractual claims of hospitality clients in particular could not be met in full. As a result, Borussia Dortmund saw its income here decline.

Transfer deals

Five players left Borussia Dortmund in the summer of 2020. After loaning Ömer Toprak for the past financial year, SV Werder Bremen exercised its buy option to permanently secure the defender's services. Mario Götze joined Dutch first-division club PSV Eindhoven in the 2020/2021 season after his contract with Borussia Dortmund was not extended at the end of the previous season. Achraf Hakimi's loan spell also ended on 30 June 2020, at which time he, too, departed Borussia Dortmund bound for Inter Milan. Dženis Burnić made the switch to 1. FC Heidenheim in the second Bundesliga division. André Schürrle signed a rescission agreement with the club and ended his football career.

Three other players left Borussia Dortmund on loan to other clubs: Leonardo Balerdi was loaned to Olympique Marseille in France's Ligue 1. After signing an early contract extension with Borussia Dortmund until 30 June 2022, Immanuel Pherai was loaned to PEC Zwolle for the current season. Both loan agreements are set to expire on 30 June 2021. At the start of October 2020, Marius Wolf was loaned to 1. FC Cologne until the end of the season.

Sergio Gómez had spent both the 2019/2020 and 2020/2021 seasons on loan to Spanish side SD Huesca, and Borussia Dortmund has now reached an agreement to transfer him to Belgian championship record-holders RSC Anderlecht on a

permanent basis as at 1 July 2021. His contract, which was most recently extended until 2022, will be terminated as part of the transfer.

Jeremy Toljan also spent the past two seasons on loan, plying his trade at Italian Serie A side U.S. Sassuolo. Certain conditions have triggered the purchase option in his contract, resulting in a permanent transfer effective 1 July 2021.

Investments in the professional squad

Borussia Dortmund signed three new players in the summer of 2020. Thomas Meunier departed Paris Saint-Germain for Borussia Dortmund on a free transfer. Borussia Dortmund signed Jude Bellingham from Birmingham City and loaned Brazil U23 international Reinier Jesus Carvalho from Real Madrid until 30 June 2022.

Felix Passlack returned to Borussia Dortmund following his loan to Fortuna Sittard. The 22-year-old's contract was set to expire at the end of the season, and in May 2021 it was extended by two years until 2023.

In November 2020, Giovanni Reyna signed an early contract extension until 2025. February saw Marwin Hitz sign an early contract extension until 2023. Steffen Tigges and Ansgar Knauff, two of Borussia Dortmund's talented youngsters, signed their first professional contracts and joined the senior squad.

Borussia Dortmund signed Soumaila Coulibaly, a 17-year-old centre back from Paris Saint-Germain.

At the end of May 2021, Borussia Dortmund signed goalkeeper Gregor Kobel from Bundesliga rivals VfB Stuttgart ahead of the new season. The 23-year-old signed a contract that runs until 30 June 2026.

TV Marketing

The call for tenders concerning the centralised marketing strategy for distributing the national and international TV marketing income for the 2021/2022 to 2024/2025 seasons has been concluded for the time being. The distribution of the TV marketing income was resolved in December 2020. Greater stability and more solidarity are the objectives. In light of the decline in income from national media rights, the consolidation being seen on international markets and the significant decrease in sales at the club level due to the COVID-19 pandemic, the objective of the future distribution system is primarily to ensure stability during this period of uncertainty, while setting the course for the future and promoting solidarity at the same time. This offers Bundesliga clubs planning certainty during the current difficult situation.

Nevertheless, a season without interruptions and timely payments by partners in line with their contracts are essential for ensuring the amount and timing of the distribution payouts.

The COVID-19 pandemic is also affecting marketing income in UEFA club competitions. In order to limit the financial impact of losses caused by the pandemic on the clubs participating in UEFA club competitions in the 2019/2020 season, UEFA has decided to compensate for the income shortfall by cutting future payouts to participating clubs over five seasons (from the 2019/2020 to the 2023/2024 season).

For the 2024/2025 season, the UEFA Champions League will follow a new format. A total of 36 teams will compete in a single league, signalling a departure from the current format's 32-team group stage. This will likely further boost the international TV marketing income generated from competing in the UEFA Champions League.

Match operations

Due to the functional health and safety protocol, there were no interruptions to the past 2020/2021 season.

In contrast to the original regulation, under which spectators were excluded from matches until 31 October 2020, Borussia Dortmund was able to welcome back a limited number of spectators for its home matches against Borussia Mönchengladbach, FC Schalke 04 and SC Freiburg at the beginning of the season. All subsequent home matches had to be played behind closed doors due to the pandemic. This had a massive impact on the earnings potential of match operations.

As one season draws to a close it is customary for season tickets go on sale for the next season, but as in the previous year this had to be put on hold due to the continuing uncertainties surrounding stadium capacity in 2021/2022 in the wake of COVID-19.

Other

In December 2020, Borussia Dortmund parted ways with head coach Lucien Favre after two and a half years. His assistant coach Edin Terzic took over as interim head coach until the end of the season. He was assisted by Sebastian Geppert, who until then had coached the U17 squad, and Otto Addo, who coaches BVB's top talents.

From the 2021/2022 season onwards, Marco Rose from Bundesliga rivals Borussia Mönchengladbach will take over as new head coach at Borussia Dortmund, while Edin Terzic has extended his contract through to 30 June 2025 and will be assuming the newly created role of technical director.

Borussia Dortmund remains committed to continuity among its sporting management and extended the contract with its head of the professional squad Sebastian Kehl early until 30 June 2025. Sebastian Kehl will take over from Michael Zorc as sporting director from 1 July 2022. Borussia Dortmund also extended the contract with its youth academy director Lars Ricken early until 30 June 2025.

Beginning in the 2021/2022 season, Borussia Dortmund will have a women's team. Instead of acquiring the licence of another professional club we are organically developing and promoting women's football from within our club.

A total of ten players from Borussia Dortmund's professional squad were called up to their respective national teams for the European Championship, including Germany internationals Mats Hummels and Emre Can.

Borussia Dortmund lifted the DFB Cup for the fifth time after victories in 1965, 1989, 2012 and 2017. The team put on a sensational performance to defeat RB Leipzig 4:1 in the final, which was held at Berlin's Olympiastadion.

Borussia Dortmund extended the contracts of its managing directors. Hans-Joachim Watzke will continue to serve as CEO until 31 December 2025 and remains responsible for setting the Company's strategic course, as well as for the areas of "Sports", "Communications" and "Human Resources".

On the other hand, Thomas Treß and Carsten Cramer, whose contracts were set to expire on 30 June 2022, each signed early extensions until 30 June 2025. Thomas Treß will remain responsible for "Finance", "Organisation", "Legal" and "Investor Relations". Carsten Cramer is responsible for the "Sales & Marketing" and "Digitalisation" areas.

Twelve of Europe's top clubs launched a new breakaway "Super League" to compete with the UEFA Champions League, only to cancel this project mere days later.

In early September 2020, Borussia Dortmund started live streaming on BVB's official Twitch channel. YouTube star Erné "FeelFIFA" Embeli hosts the interactive program.

In the past financial year, Borussia Dortmund published its fourth Sustainability Report entitled "United in solidarity. No matter what." at <https://verantwortung.bvb.de/2020/en/home-en/>.*

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

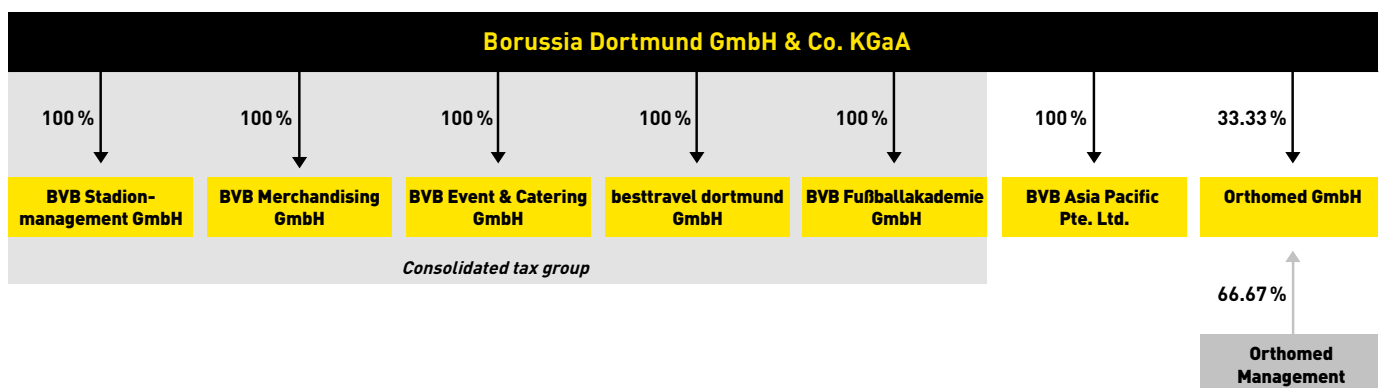
GENERAL INFORMATION ABOUT THE COMPANY

GROUP STRUCTURE AND BUSINESS OPERATIONS

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

(100.00%), besttravel dortmund GmbH (100.00%), BVB Fußballakademie GmbH (100.00%) and Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (Orthomed GmbH) (33.33%).

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



ORGANISATION OF MANAGEMENT AND CONTROL

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

Cramer; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.

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



The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA, which is appointed by the Annual General Meeting, has limited rights and duties.

It has no authority with respect to matters involving personnel, i.e., no authority to appoint and dismiss managing directors at Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their contracts.

Nor is the Supervisory Board authorised to adopt internal rules of procedure or to define a list of transactions requiring its consent on behalf of the general partner. Rather, such rights and duties are vested in the governing bodies of Borussia Dortmund Geschäftsführungs-GmbH, namely its Advisory Board and the Executive Committee created by the Advisory Board.

The members of the Company's Supervisory Board waived 33.33% of their Supervisory Board remuneration in financial year 2020/2021.

Their names, occupations and their further responsibilities on other management bodies are listed below:

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. KGaA

Gerd Pieper	Christian Kullmann	Bernd Geske	Peer Steinbrück	Ulrich Leitermann	Bjørn Gulden	Dr. Reinhold Lunow	Silke Seidel	Bodo Löttgen	Judith Dommermuth
Chairman	Deputy Chairman		(until 19 November 2020)						(since 19 November 2020)

FULL REMUNERATION PAYABLE FOR 2020/2021 (EUR '000)

48	36	24	9	24	24	24	24	24	15
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OCCUPATIONS (as at 30 June 2021)

Retired; former Managing Director of Stadt-Parfümerie Pieper GmbH, Herne	Chairman of the Executive Board of Evonik Industries AG, Essen	Managing partner of Bernd Geske Lean Communication, Meerbusch	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group, Dortmund (SIGNAL Krankenversicherung a.G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., Hamburg; SIGNAL IDUNA Unfallversicherung a.G., Dortmund; SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund)	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund	Chair of the CDU parliamentary group in the state parliament of North Rhine-Westphalia, detective chief inspector (Kriminalhauptkommissar) (ret.), public administration graduate	Managing partner of JUVIA Verwaltungs GmbH, Cologne
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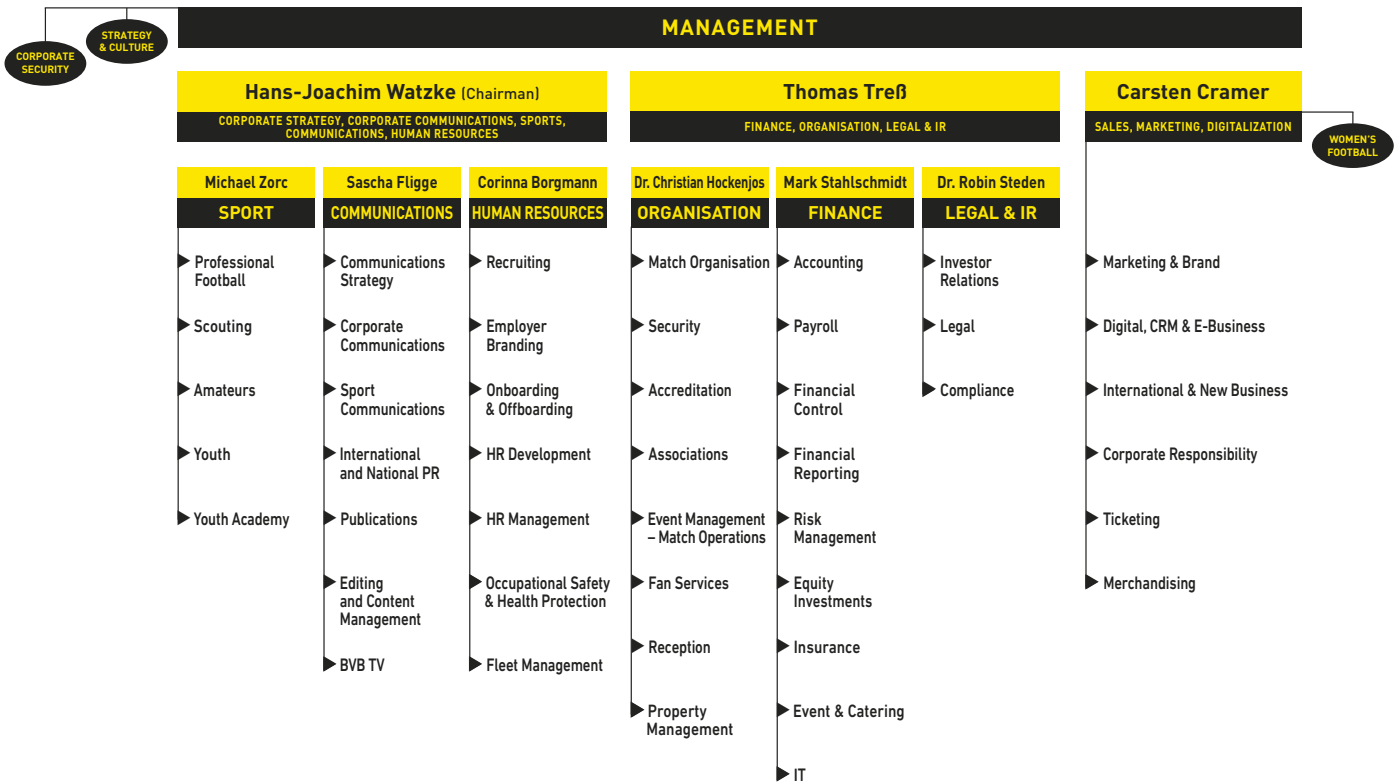
OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 30 June 2021)

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

"Human Resources", "Organisation", "Finance" and "Legal & IR". 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

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

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

Financial management

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

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

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

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

Capital management

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

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

CORPORATE STRATEGY

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

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

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

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

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

Its current business strategy can principally be summarised as follows:

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

Financial performance and business development are dependent on footballing success. Since footballing success is difficult to plan, the best that management can do is to create a solid

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

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

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

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

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

DIVIDEND POLICY

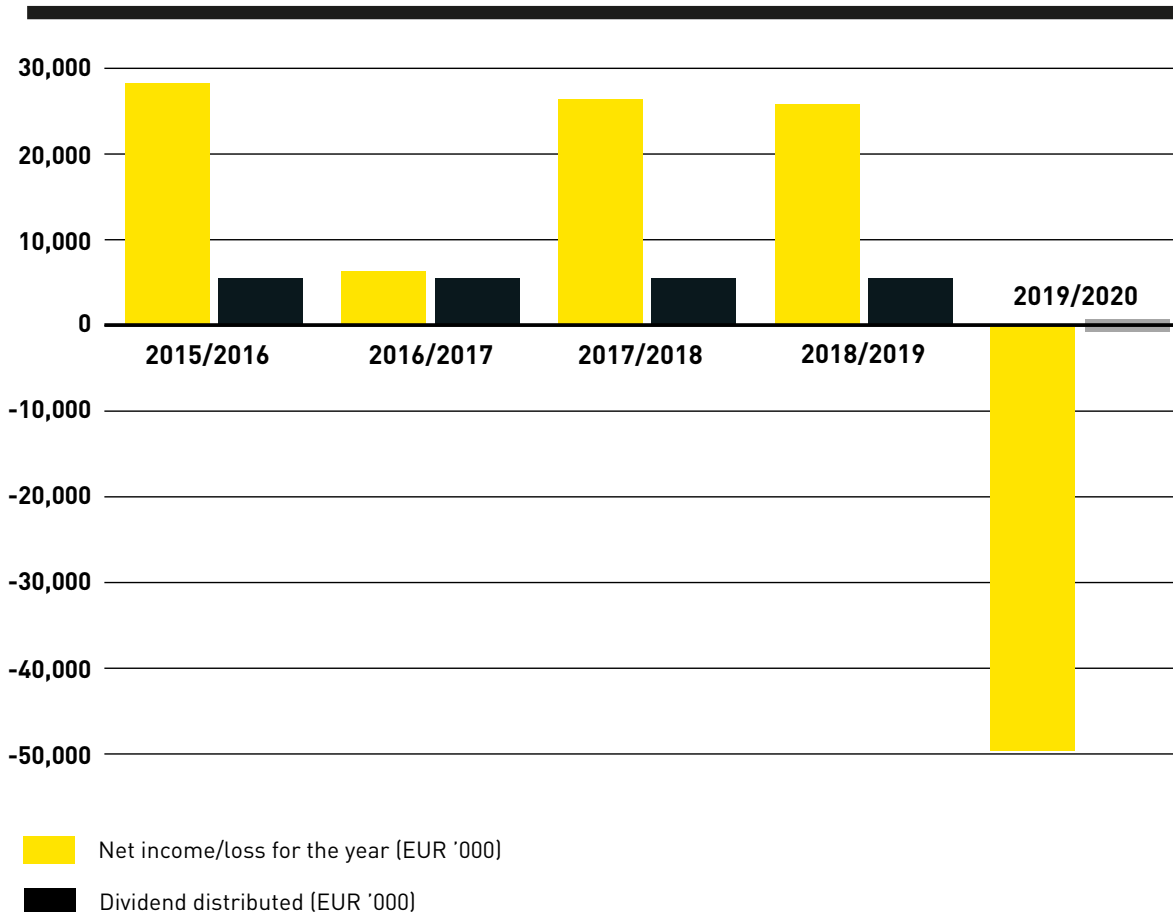
Two key indicators are assessed to shape Borussia Dortmund's dividend policy.

On the one hand, Borussia Dortmund assesses its earnings situation, and in the financial years before COVID-19 it generated a net profit. The Company reported a net loss for the current financial year, in particular on account of the continuing effects of the COVID-19 pandemic.

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

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

Dividend distribution



CORPORATE GOVERNANCE DECLARATION PURSUANT TO § 289F HGB

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

In accordance with § 289b (2) sentence 2 HGB, Borussia Dortmund GmbH & Co. KGaA is exempt from preparing a non-financial statement.

The separate non-financial report is published online at <https://aktie.bvb.de/eng/Corporate-Governance/sustainability-report>.*

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

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

Development of financial performance indicators

In the 2020/2021 financial year, Borussia Dortmund's financial performance indicators – sales, result from operating activities (EBIT), operating result (EBITDA), net profit/net loss for the year, cash flows from operating activities and free cash flow – were as follows:

Sales

Sales amounted to EUR 323,497 thousand in the reporting period. In its Annual Report as at 30 June 2020, Borussia Dortmund forecast that sales would decline by approximately 20% for financial year 2020/2021 overall, based on the comparative figure for financial year 2019/2020.

Operating result (EBITDA)

EBITDA amounted to EUR 33,557 thousand in the past financial year; the forecast for the full 2020/2021 financial year in the Annual Report dated 30 June 2020 had projected that EBITDA would be approximately EUR 100,000 thousand higher than the result from operating activities (EBIT), which was expected to amount to between EUR 25,000 thousand and EUR 30,000 thousand.

Result from operating activities (EBIT)

In the past financial year, the result from operating activities amounted to EUR -76,580 thousand and the net loss for the year totalled EUR 76,479 thousand. The report on expected developments dated 30 June 2020 forecast a net loss for the year of between approximately EUR 70,000 thousand and EUR 75,000 thousand. The result from operating activities (EBIT) for the full 2020/2021 financial year was forecast to fall approximately EUR 2,000 thousand short of the net loss for the year.

Cash flows

Cash flows from operating activities amounted to EUR 40,769 thousand in the 2020/2021 financial year. Borussia Dortmund forecasted as at 30 June 2020 that it would generate cash flows from operating activities of approximately EUR 44,000 thousand for the full 2020/2021 financial year.

Free cash flow

Free cash flow in the 2020/2021 financial year amounted to EUR -50,452 thousand. The report on expected developments for the 2020/2021 financial year dated 30 June 2020 had forecast free cash flow of EUR -40,000 thousand.

Borussia Dortmund KGaA (HGB)

EUR '000	2020/2021	2019/2020
Sales	323,497	442,126
Operating result (EBITDA)	33,557	54,264
Result from operating activities (EBIT)	-76,580	-51,283
Net loss for the year	-76,479	-49,662
Cash flows from operating activities	40,769	111,654
Free cash flow	-50,452	-48,718

Development of non-financial performance indicators

Borussia Dortmund's strategic corporate governance is centred around its fans, and their active involvement is fundamental to the club's business strategy. Especially in times of uncertainty and social isolation, it is crucial that we maintain and strengthen communication with our most important stakeholder group: our fans.

We discussed the current situation with fans, fan clubs and fan groups on many occasions in the past season. These talks demonstrated how much our fans continue to value the sport, the club and most of all the footballing community.

BVB wants to understand the impact that the pandemic is having on Borussia Dortmund's fan culture. To this end, an academic study was carried out in March which gave fans the opportunity to share their perception of the current status of the club, its fan community and professional football in general.

At the same time, BVB is a big proponent of engaging with its fans via its numerous digital platforms, such as the fan podcast, virtual Fan Council meetings and BVB's official Twitch channel.

BVB wants to focus more closely on youth work going forward, and develop specific activities and initiatives for young people across various educational levels. In addition, the club will continuously set aside tickets for young people that are awarded in a transparent manner.

Progress is also being made in developing the club's girl's and women's football programme. Doing things "the Dortmund way", the ambitious goal is for the BVB women's team to leave local league football behind as they aim higher. The team around the team is already in place. World champion and Olympic gold medallist Annike Krahn and ex-BVB pro Christian Timm are on board in an advisory capacity, while Thomas Sulewski has been named coach for the new team.

True to the guiding principle "Borussia unites!", BVB once again underscored its continuing commitment to combating discrimination by adopting the International Holocaust Remembrance Alliance's (IHRA) working definition of anti-Semitism in October 2020, an important step in the fight against anti-Semitism. On 27 January 2021, DAZN broadcast episode 5 "Never forget" of its documentary series "BVB 09 – Stories who we are".

The episode poignantly demonstrates Borussia Dortmund's commitment to important social issues by championing projects that promote a remembrance culture and historical and political education. This also includes the club's active role in the "Changing the Chants" project, which is funded by the European Union. Over the past two years, Borussia Dortmund has worked with Feyenoord Rotterdam, Fare Network and the Anne Frank House to devise and strengthen strategies that football clubs can use to educate fans about anti-Semitic behaviour in stadiums. Changing the Chants revolves around two separate educational programmes for football fans run by Borussia Dortmund and Feyenoord. The project's closing meeting is planned for September 2021.

This year will see BVB restart the historical and political educational trips that it has run for fans since 2008 and for employees since 2011. They had

been suspended for a year due to the COVID-19 pandemic.

In addition to being a socially responsible club, Borussia Dortmund also takes its environmental responsibility seriously. With this in mind, the club formed additional cross-disciplinary project groups that will increasingly tackle the issues related to the use of resources in match operations and mobility. In cooperation with Dortmund's municipal utilities authority (DSW21), BVB is expanding its KombiTicket combined match/transport ticket for both individual matches and season tickets. They will now cover the entire state of North Rhine-Westphalia, thereby increasing the use of public transport and helping to cut CO2 emissions. The tickets had previously only been valid within the VRR transport authority region. Borussia Dortmund is also helping make employees' daily commute more environmentally friendly by offering the chance to lease a bicycle via BVB on a subsidised basis.

The beginning of 2021 also saw the launch of "Sustainable Merchandising", a project to develop a sustainability concept for BVB merchandising based on a prototype product. It will cover the prototype's entire production chain, from materials, through processing, down to logistics and re-use.

In addition, BVB has launched further projects to promote environmental protection and biodiversity, first and foremost using the club mascot, Emma, in educational programmes for children and young people. Examples include the BVB educational

garden in the allotments behind SIGNAL IDUNA PARK and designing a nature trail in cooperation with SIGNAL IDUNA and the City of Dortmund on land belonging to the SIGNAL IDUNA Group.

During the pandemic, BVB has opted not to reduce its employees' working hours and, during the lockdowns, provided job rotation opportunities within its various fields of activity. You can find all you need to know about sustainable development at BVB in our 2020/2021 Sustainability Report, which will be available from 29 October 2021 at <https://verantwortung.bvb.de/en>.*

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

RESULTS OF OPERATIONS

During the reporting period (1 July 2020 to 30 June 2021), Borussia Dortmund generated sales of EUR 323,497 thousand (previous year: EUR 442,126 thousand) and gross revenue of EUR 330,824 thousand, a decrease of EUR 120,437 thousand (26.69%) on the previous financial year.

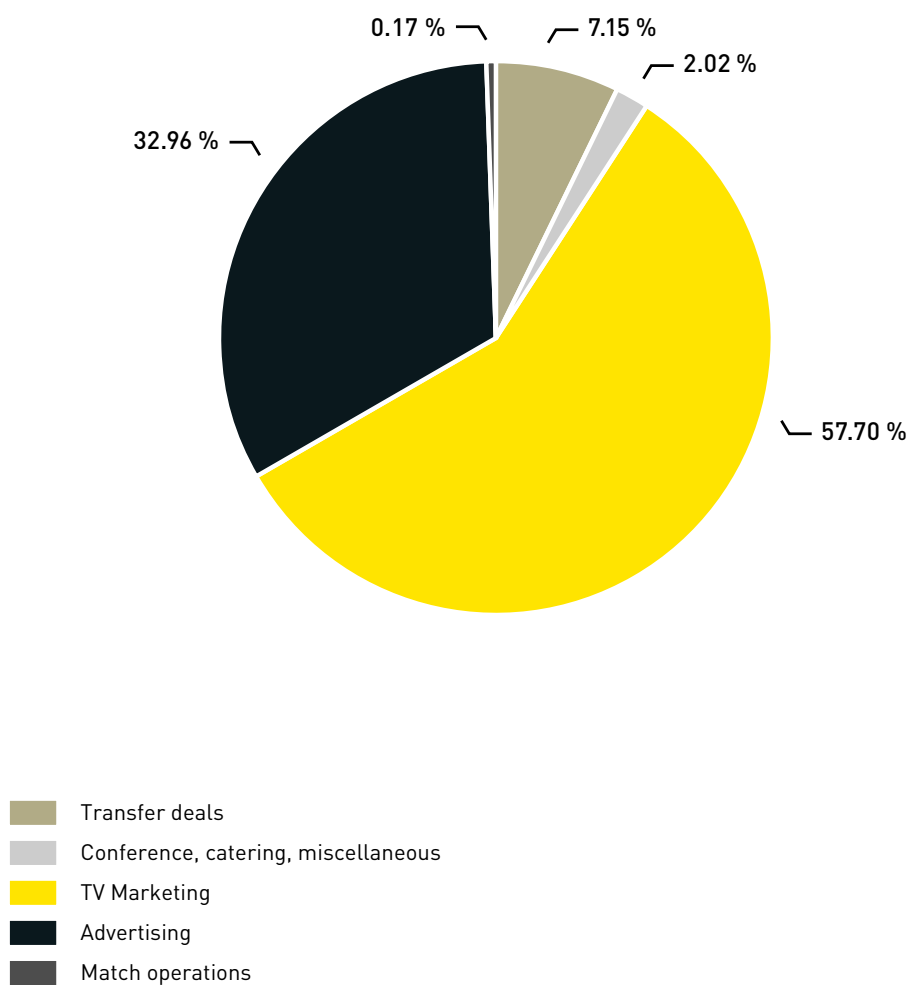
Earnings before taxes amounted to EUR -76,842 thousand (previous year: EUR -49,368 thousand), while the result from operating activities (EBIT)

amounted to EUR -76,580 thousand (previous year: EUR -51,283 thousand).

During the current reporting year, the operating result (EBITDA) amounted to EUR 33,557 thousand (previous year: EUR 54,264 thousand).

Borussia Dortmund generated a net loss of EUR 76,479 thousand during the 2020/2021 financial year (previous year: net loss of EUR 49,662 thousand).

Sales in percent

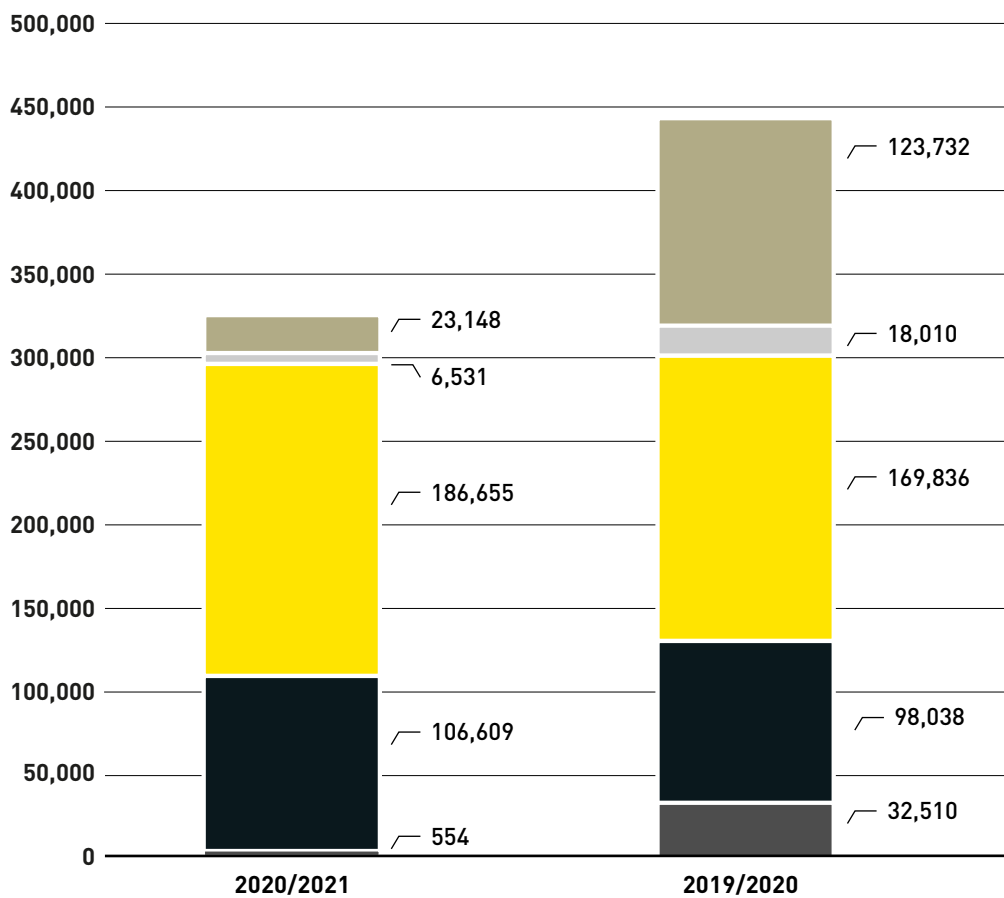


SALES TREND

Borussia Dortmund generated sales of EUR 323,497 thousand in the 2020/2021 financial year. The decline in income by EUR 118,629 thousand (26.83 percent) was due mainly to the drop in income from match operations, conference, catering,

miscellaneous, and merchandising activities. Income from advertising and TV marketing increased year on year despite the severe restrictions as a result of the COVID-19 pandemic.

Sales in EUR '000



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

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

Income from match operations

Income from match operations decreased by EUR 31,956 thousand to EUR 554 thousand in financial year 2020/2021.

Income from match operations for domestic competitions declined by EUR 19,875 thousand to EUR 544 thousand.

While the 2019/2020 season had seen twelve home matches played to almost sell-out crowds at SIGNAL IDUNA PARK, during the 2020/2021 season the national and regional restrictions put in place in response to COVID-19 meant fewer spectators were permitted in stadiums, and then only for the first Bundesliga fixtures. Of the 17 Bundesliga home matches hosted by Borussia Dortmund, only three (against Borussia Mönchengladbach, SC Freiburg and FC Schalke 04) were open to spectators, who were limited in number.

The income from domestic and international cup competitions decreased by EUR 10,648 thousand, and all of these matches were held behind closed doors.

Borussia Dortmund generated income of EUR 9 thousand from friendlies and proceeds generated by the club's other teams in financial year 2020/2021 (previous year: EUR 1,442 thousand). Unlike in previous years, the pandemic prevented the squad from travelling to Asia or the United States for preseason tours.

Income from advertising

In the financial year ended, Borussia Dortmund increased its advertising income by 8.74% to EUR 106,609 thousand (previous year: EUR 98,038 thousand), representing a 32.96% share of total sales.

Advertising income increased despite the restrictions on hospitality services and match day advertising due to the COVID-19 pandemic. Borussia Dortmund hosted 24 home matches in the season ended, of which 21 were played behind closed doors

due to the COVID-19 pandemic. Against this backdrop, match-day advertising could not be compensated for fully and practically no advertising was shown in hospitality.

The increase was due primarily to the new agreements with the two primary sponsors Evonik Industries AG and 1&1 Telecommunication SE as well as with the equipment supplier Puma SE that were entered into on 1 July 2020. The holder of the stadium's naming rights, SIGNAL IDUNA, the sleeve sponsor, Opel Automobile GmbH, and the ten Champion Partners continue to contribute greatly to income from advertising. Borussia Dortmund also added another sponsor for its youth programmes: adesso SE.

Furthermore, advertising income includes bonuses for the third-place Bundesliga finish, which directly qualified the team for the group stage of the UEFA Champions League in the 2021/2022 season, for reaching the quarter-finals of the UEFA Champions League in financial year 2020/2021, for competing in the DFL Super Cup at the beginning of the past season, and for reaching the final and winning the DFB Cup.

Income from TV marketing

In financial year 2020/2021, income from TV marketing once again represented the highest share of sales (57.70%) and increased by EUR 16,819 thousand year on year to EUR 186,655 thousand. TV marketing income from both domestic and international cup competitions rose. The income from TV broadcasts of Bundesliga matches remained virtually unchanged.

Income from domestic TV marketing amounted to EUR 97,826 thousand, up EUR 139 thousand against the prior-year reporting period.

Only 89.83% of the increase in distribution announced prior to the pandemic actually materialised at the end of the financial year. The payouts for the 2020/2021 season were made on the assumption that match operations would continue uninterrupted in 2020/2021, the season

would come to an orderly close and the marketing partners would pay the budgeted amounts in full and on time. Since the distribution amount fluctuated in the 2020/2021 reporting period, DFL Deutsche Fußball Liga GmbH was ultimately forced to reduce the income with respect to the planned international TV marketing payouts.

Income from international TV marketing for competing in the UEFA Champions League amounted to EUR 78,698 thousand in the financial year (previous year: EUR 67,420 thousand). The increase of EUR 11,278 thousand is due to the higher performance bonus, since Borussia Dortmund amassed four wins and one draw in the group stage. In the previous year, Borussia Dortmund only managed three wins and one draw. In addition, Borussia Dortmund reached the quarter-finals of the UEFA Champions League for the first time since 2017, although the team was knocked out of the competition following two defeats to Manchester City.

Unlike in the previous year, Borussia Dortmund failed to win the DFL Super Cup, its first competitive match of the current financial year. Borussia Dortmund reached the final of the DFB Cup, where the team chalked up a resounding victory against RB Leipzig in Berlin. Income from domestic cup competitions thus amounted to EUR 10,131 thousand (previous year: EUR 4,729 thousand).

Transfer income

Income from transfer deals declined by EUR 100,584 thousand to EUR 23,148 thousand (previous year: EUR 123,732 thousand)

This resulted from the transfers of the players Ömer Toprak to Werder Bremen and Dženis Burnić to 1. FC Heidenheim. In addition, Leonardo Balerdi was loaned to Olympique Marseille, Jeremy Toljan was loaned to U.S. Sassuolo and Sergio Gómez was loaned to SD Huesca. Borussia Dortmund also generated subsequent transfer income. Furthermore, Mario Götze left to join PSV Eindhoven on a free transfer.

In the previous financial year, the players Maximilian Philipp transferred to FC Dynamo Moscow, Abdou Diallo to Paris Saint-Germain, Alexander Isak to Real Sociedad, Julian Weigl to Benfica Lisbon, Paco Alcácer to Villarreal CF, Jacob Bruun Larsen to TSG Hoffenheim, Sebastian Rode to Eintracht Frankfurt and Shinji Kagawa to Real Zaragoza. Furthermore, the players Dženis Burnić, Jeremy Toljan, Ömer Toprak, André Schürrle and Marius Wolf were loaned out. These transfers also generated subsequent transfer proceeds and loan fees.

Conference, catering and miscellaneous income

Conference, catering and miscellaneous income amounted to EUR 6,531 thousand (previous year: EUR 18,010 thousand) and also included sales from advance booking fees, rental and lease income and release fees for national team players.

Conference and catering income, which comprises income generated by the hospitality areas and events, decreased by EUR 2,067 thousand from EUR 2,258 thousand in the previous year to EUR 191 thousand. The lack of spectators at 14 of 17 Bundesliga home matches and fewer hospitality customers at the first three Bundesliga home fixtures meant that only limited sales were generated in the hospitality areas.

In the reporting period from 1 July 2020 to 30 June 2021, advance booking fees, postage and miscellaneous income, which includes the Evonik Football Academy, rental and lease income and BVB TV, decreased by EUR 8,969 thousand to EUR 4,072 thousand. This was due primarily to the lack of advance booking fees due to the restrictions on spectators imposed in response to the COVID-19 pandemic.

As well as the lack of advance booking fees for match day ticket sales, there was a shortfall in advance booking fees for season tickets after Borussia Dortmund decided as in the previous year that it would initially suspend season ticket sales at the end of the season given the inability to predict how the pandemic would develop. Likewise, the Football Academy was prevented

from running courses (either national or international) for months. A further reason for the decline in income was the fact that this year's DFL Super Cup was held in Munich. Moreover, unlike in the previous year, no (four-part) documentary series about Borussia Dortmund was marketed in the past financial year.

The release fees for national team players declined by EUR 443 thousand from EUR 2,711 thousand in the previous year to EUR 2,268 thousand.

Other operating income decreased by EUR 1,771 thousand year on year to EUR 7,327 thousand. As in the previous year, this included primarily income from provisions, insurance reimbursements, unclaimed refunds and a reimbursement for granting contractual marketing rights. Other operating income includes prior-period income in the amount of EUR 1,898 thousand (previous year: EUR 5,382 thousand).

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Personnel expenses

In financial year 2020/2021, personnel expenses amounted to EUR 205,604 thousand (previous year: EUR 203,523 thousand).

Personnel expenses for the professional squad increased by 1.07% year on year. The base salary rose by EUR 2,472 thousand. Performance-based bonuses amounted to EUR 28,742 thousand (previous year: EUR 29,363 thousand) and comprised annual bonuses and performance-based bonuses for winning the DFB Cup, for finishing third place in the Bundesliga with 64 points, for reaching the quarter-finals of the UEFA Champions League and for qualifying directly for the group stage of the 2021/2022 UEFA Champions League.

In the reporting period, personnel expenses related to the retail and administration areas increased by EUR 976 thousand year on year to EUR 19,279 thousand.

Personnel expenses in relation to amateur and youth football amounted to EUR 11,398 thousand during the current 2020/2021 financial year (previous year: EUR 12,144 thousand).

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs amounted to EUR 110,137 thousand during the reporting period. This was EUR 4,590 thousand

above the figure as at 30 June 2020 and included write-downs of EUR 1,591 thousand.

During the period from 1 July 2020 to 30 June 2021, intangible fixed assets – which consist primarily of Borussia Dortmund's player registrations – were amortised in the amount of EUR 98,017 thousand (previous year: EUR 93,093 thousand).

Furthermore, EUR 1,591 thousand in write-downs of intangible fixed assets to their fair values were recognised (previous year: EUR 1,930 thousand).

Depreciation and write-downs of tangible fixed assets remained roughly level at EUR 10,529 (previous year: EUR 10,524 thousand).

Other operating expenses

Other operating expenses decreased by EUR 101,811 thousand or approximately 52.62% across all items of other operating expenses, from EUR 193,474 thousand in the previous year to EUR 91,663 thousand in the reporting period.

The largest decrease under this item was seen in transfer deals, which fell by EUR 70,493 thousand to EUR 9,565 thousand. By contrast to the previous year, during which transfer deals resulted in the carrying amounts for the players Maximilian Philipp,

Abdou Diallo, Alexander Isak, Julian Weigl, Paco Alcácer, Jacob Bruun Larsen and Sebastian Rode being derecognised, the only carrying amounts derecognised this financial year were for the players Ömer Toprak and Dženis Burnić as well as for the former trainer Lucien Favre. This item also includes sales-related costs for departures and other (subsequent) variable transfer compensation.

Expenses from match operations decreased by EUR 8,576 thousand to EUR 41,405 thousand (previous year: EUR 49,981 thousand). This was due mainly to lower catering and match day expenses, as only three home matches were played for the 2020/2021 season, with severely restricted stadium capacity.

Advertising expenses decreased by EUR 15,826 thousand. Despite the increase in advertising income, the newly signed agency licensing agreement with the marketing firm SPORTFIVE Germany GmbH made it possible to significantly reduce the agency commission payable.

Administrative expenses decreased during the financial year ended by EUR 2,279 thousand to EUR 22,815 thousand. A slight increase in IT expenses was offset by significantly lower travel, representation and event expenses.

Other expenses decreased by EUR 4,106 thousand to EUR 4,816 thousand. This reduction was caused mainly by lower allowances on receivables and lower losses on disposals of fixed assets as well as lower expenses for office supplies.

Financial result

The financial result for financial year 2020/2021 amounted to EUR -262 thousand (previous year: EUR 1,915 thousand) and breaks down as follows: Income and expenses from profit and loss transfer agreements amounted to EUR 259 thousand.

These include the results of BVB Merchandising GmbH, BVB Event & Catering GmbH, BVB Stadionmanagement GmbH and BVB Fußballakademie GmbH and besttravel dortmund GmbH.

Income and expenses from profit and loss transfer agreements

(EUR '000)	Net profit/loss 01/07/2020 to 30/06/2021	Net profit/loss 01/07/2019 to 30/06/2020
BVB Stadionmanagement GmbH	42	64
besttravel dortmund GmbH	100	566
BVB Merchandising GmbH	-748	2,458
BVB Event & Catering GmbH	725	1,581
BVB Fußballakademie GmbH	140	-
	259	4,669

Furthermore, interest income of EUR 121 thousand was recognised and related to entirely to compounding.

Interest expenses amounted to EUR 642 thousand and comprised mainly financing charges of EUR 554 thousand and discounting effects of EUR 40 thousand. In the previous year, interest expenses had

amounted to EUR 2,934 thousand and comprised mainly EUR 1,323 thousand in discounting effects and EUR 1,452 thousand in financing charges.

Tax on income of EUR 342 thousand were reported in the 2020/2021 financial year (previous year: EUR -50 thousand).

ANALYSIS OF CAPITAL STRUCTURE

DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

As at 30 June 2021, total assets amounted to EUR 453,745 thousand, representing a decrease of EUR 65,023 thousand as compared to 30 June 2020.

Fixed assets amounted to EUR 398,903 thousand, down EUR 52,563 thousand on the figure as at 30

June 2020. The additions amounted to EUR 62,091 thousand (of which EUR 58,738 thousand to intangible fixed assets) and are attributable to investments.

This was offset by disposals amounting to EUR 4,517 thousand and depreciation amounting to EUR 110,137

BALANCE SHEET

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

ASSETS	30/06/2021		30/06/2020	
	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	203,935	45.0	248,880	48.0
2. Prepayments	68	0.0	68	0.0
	204,003	45.0	248,948	48.0
II. Tangible fixed assets				
1. Land, land rights and buildings including buildings on third-party land	167,784	36.9	172,481	33.3
2. Other equipment, operating and office equipment	14,682	3.2	16,336	3.1
3. Prepayments and assets under construction	259	0.0	1,952	0.4
	182,725	40.1	190,769	36.8
III. Long-term financial assets				
1. Shares in affiliated companies	12,052	2.6	11,621	2.2
2. Equity investments	96	0.0	96	0.0
3. Other loans	27	0.0	32	0.0
	12,175	2.6	11,749	2.2
	398,903	87.7	451,466	87.0
B. CURRENT ASSETS				
I. Inventories				
Merchandise	67	0.2	46	0.0
II. Receivables and other assets				
1. Trade receivables	32,740	7.2	45,563	8.8
2. Receivables from affiliated companies	1,570	0.3	1,511	0.3
3. Other assets	2,303	0.5	1,516	0.3
	36,613	8.0	48,590	9.4
III. Cash-in-hand, bank balances	3,466	0.7	3,157	0.6
	40,146	8.9	51,793	10.0
C. PREPAID EXPENSES	14,696	3.2	15,509	3.0
	453,745	100.0	518,768	100.0

thousand. This included EUR 1,591 thousand in write-downs. There were no reversals of write-downs.

Current assets amounted to EUR 40,146 thousand, down EUR 11,647 thousand from the figure as at 30 June 2020. This decline was primarily

attributable to trade receivables, which decreased by EUR 12,823 thousand to EUR 32,740 thousand (previous year: EUR 45,563 thousand) due mainly to lower transfer receivables and lower receivables from advertising partners.

BALANCE SHEET

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

EQUITY AND LIABILITIES	30/06/2021		30/06/2020	
	EUR '000	Shareholding %	EUR '000	Shareholding %
A. EQUITY				
I. Subscribed capital	92,000	20.3	92,000	17.7
less nominal value of treasury shares	-19	0.0	-19	0.0
Issued capital	91,981	20.3	91,981	17.7
II. Capital reserves	144,337	31.8	144,337	27.8
III. Revenue reserves				
1. Reserve for treasury shares	19	0.0	19	0.0
2. Other revenue reserves	147,662	32.5	147,662	28.5
	147,681	32.5	147,681	28.5
IV. Net income/net loss for the year	-126,141	-27.8	-49,662	-9.6
	257,858	56.8	334,337	64.4
B. PROVISIONS				
1. Provisions for taxes	36	0.0	36	0.0
2. Other provisions	10,265	2.3	8,150	1.6
	10,301	2.3	8,186	1.6
C. LIABILITIES				
1. Liabilities to banks	58,792	12.9	8,031	1.5
2. Trade payables	97,864	21.6	135,122	26.0
3. Liabilities to affiliated companies	7,367	1.6	4,719	0.9
4. Other liabilities	17,113	3.8	24,675	4.8
of which from taxes: EUR 6,898 thousand (previous year: EUR 9,870 thousand)				
of which in relation to social security: EUR 38 thousand (previous year: EUR 35 thousand)				
	181,136	39.9	172,547	33.2
D. DEFERRED INCOME	4,450	1.0	3,698	0.8
	453,745	100.0	518,768	100.0

Prepaid expenses remained virtually level, declining by a mere EUR 813 thousand to EUR 14,696 thousand (previous year: EUR 15,509 thousand).

Share capital remained level at EUR 92,000 thousand as at 30 June 2021.

Taking into account net income for the year, Borussia Dortmund's equity amounted to EUR 257,858 thousand as at 30 June 2021. This corresponds to an equity ratio of 56.83% (previous year: 64.45%).

Provisions increased by a total of EUR 2,115 thousand to EUR 10,301 thousand (previous year: EUR 8,186 thousand). This increase was attributable in its entirety to the growth in other provisions, which in turn was due primarily to higher staff-related provisions. No provisions for litigation and liability risks relating to legal proceedings were recognised as at 30 June 2021. Tax provisions remained level at EUR 36 thousand.

Liabilities increased by a total of EUR 8,589 thousand to EUR 181,136 thousand (previous year: EUR 172,547 thousand).

Trade payables declined by EUR 37,258 thousand to EUR 97,864 thousand (previous year: EUR 135,122 thousand), due primarily to transfer liabilities settled in the financial year. However, liabilities to affiliated companies amounted to EUR 7,367 thousand, up EUR 2,648 thousand on the previous year's figure of EUR 4,719 thousand. By contrast, other liabilities decreased by EUR 7,562 thousand to EUR 17,113 thousand. Liabilities to banks of EUR 58,792 thousand were reported at the balance sheet date.

Deferred income remained virtually level at EUR 4,450 (previous year: EUR 3,698 thousand).

ANALYSIS OF CAPITAL EXPENDITURE

In the past financial year, Borussia Dortmund invested EUR 58,738 thousand in intangible fixed assets. The entirety of this amount was invested in the player base.

Cash payments for tangible fixed assets during the same period amounted to EUR 2,918 thousand and primarily include investments in the Brackel training ground in connection with the project to expand BVB's training centre.

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

expanded over several phases until 2022. This involved acquiring further adjacent land and opening a new fitness area. Other steps are currently being implemented.

Secondly, Borussia Dortmund is currently designing its new fan and youth centre which will be located on the Strobelallee. The centre will offer a variety of programmes intended above all to improve communication with the fans and to establish it as a type of community centre for fans. There are also plans to further develop and expand the infrastructure and the areas in and around SIGNAL IDUNA PARK.

ANALYSIS OF LIQUIDITY

As at 30 June 2021, Borussia Dortmund held unrestricted cash funds of EUR 3,466 thousand. Borussia Dortmund also had access to an additional

EUR 120,000 thousand in overdraft facilities, some of which had been drawn down as at the balance sheet date.

Cash flows from operating activities amounted to EUR 40,769 thousand and are calculated as follows:

EUR '000	2020/2021	2019/2020
Net income/net loss for the period	-76,479	-49,662
Depreciation, amortisation and write-downs/reversals of write-downs of fixed assets	110,137	103,915
Non-cash expenses and income	4,156	65,665
Increase/decrease in provisions	2,049	-5,141
Interest expense	642	2,934
Interest income	-121	-180
Income taxes	-342	50
Loss on disposal of fixed assets	0	106
Decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	12,769	5,687
Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	-11,848	-12,025
Interest paid	-602	0
Income taxes received	408	305
Cash flows from operating activities	40,769	111,654

NET ASSETS

Borussia Dortmund's total assets decreased from EUR 518,768 thousand to EUR 453,745 thousand. Fixed assets declined by EUR 52,563 thousand. Trade receivables and other financial receivables decreased by EUR 11,977 thousand to EUR 36,613 thousand.

Prepaid expenses declined by EUR 813 thousand to EUR 14,696 thousand, which was due mainly to lower prepaid personnel expenses.

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT

Borussia Dortmund ended the 2020/2021 financial year with a net loss for the year of EUR 76,479 thousand.

Taking into account the net loss for the year, the equity ratio is calculated at 56.83%. As at 30 June 2021, Borussia Dortmund held unrestricted cash funds of EUR 3,466 thousand. As at the balance sheet date, Borussia Dortmund had access to an additional EUR 120,000 thousand in overdraft facilities, some of which had been drawn down.

The ongoing COVID-19 pandemic continued to weigh heavily on profitability and ultimately earnings in the 2020/2021 season. The effects of the pandemic are particularly clear in match operations and conference, catering and miscellaneous. The transfer business has also taken a major hit to its sales figures. Given this, business development during financial year 2020/2021 was less than satisfactory.

REMUNERATION REPORT

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

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

remuneration. Any additional non-cash or ancillary benefits granted relate primarily to insurance benefits at standard market conditions and the provision of a company car. The Company does not offer any stock option plans or similar incentive plans. The remuneration components provided are reasonable both in and of themselves and taken as a whole (see Note 36 to the consolidated financial statements).

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

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

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

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

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

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

OPPORTUNITY AND RISK REPORT

RISK MANAGEMENT

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

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

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

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

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

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

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

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

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

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

Example

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

If the assessment of an individual risk falls within the top third of the scale (a score of 17 to 24), Borussia Dortmund classifies it as a high-priority risk. Particular attention is paid to such risks, since they are capable of having a material adverse and long-term effect on the Company's assets, liabilities, financial position and profit or loss. There are currently 26 (previous year: 23) risks that are classified as high priority.

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

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

Categorisation of risks

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

All 61 risks that could have a direct impact on the Company fall within these categories. In comparison with the previous year (62 risks), the total number was reduced by one risk that no longer meets the criterion of materiality.

Three new risks (legal transgressions by professional players, lack of transfers/willingness to transfer, and IT cyber risks) were added to the 23 risks that had been classified as high-priority in the past period. No high-priority risks were removed.

Further to the notes on opportunities and risks in the 2019/2020 Annual Report, the focus during the current reporting period (financial year 2020/2021) was primarily on the persistent impact of the COVID-19 pandemic, which continues to impact almost all risk categories.

The following is a discussion of the 26 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 four 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. It is all the more important for planning projections to be modified on a permanent basis, especially during the COVID-19 pandemic in which the external conditions are changing faster than ever before. 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 or UEFA Europa Conference League, let alone if the team

fails to qualify for any international competition at all. The objective of a corresponding worst case scenario is not to predict the future but rather to provide an overview of various contingencies and their effects and to better assist the management in its strategic planning.

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

Borussia Dortmund considers the third risk in this category to be the risk of conflicting goals of sporting and commercial success. It is important that Borussia Dortmund continues to pursue balanced business policies with the aim of ensuring that the club remains competitive and also focussed on meeting the Group's performance indicators. Borussia Dortmund will continue to avoid financial

risks that could arise on account of uncertain sporting successes. As in previous years, Borussia Dortmund further counters this risk by setting strict budgets for the individual divisions and undertaking corporate planning on a revolving basis using various planning scenarios. Furthermore, the Company also uses planning scenarios to calculate various earnings and liquidity effects potentially presenting additional opportunities for financial investment or shortfalls. It is of fundamental importance to permanently modify the planning projections and to balance the need to remain competitive on the pitch and ensure economic stability and success on the one hand with the corresponding countermeasures that have already been taken to reduce the likelihood of the risk occurring on the other, especially during the COVID-19 pandemic in which the external conditions are changing faster than ever before. The transfer business remains a key action area for Borussia Dortmund and is one of the most important sources of income in the business of football. Achieving high sums for transfers often involves a loss of sporting quality within the squad, but after carefully weighing up all of the athletic and business aspects it is possible that value-driven transfers may also be concluded contrary to the Company's sporting interests.

A new high-priority risk in this category are IT cyber risks, which are closely linked with protecting confidential information. They are generally understood as the risks posed while navigating a digital and interconnected world (cyberspace). In specific terms, on the one hand IT cyber risks involve the possibility of wilful and targeted cyber attacks on data and IT systems. The consequences of these attacks include: compromising data confidentiality (e.g., data losses, data espionage),

loss of system or data integrity (e.g., data corruption by means of malware), compromising IT system or data availability (e.g., internal business interruption, outages in external communications). On the other hand, IT cyber risks arise from the opportunity for large volumes of information to be disseminated widely, cheaply and at breakneck speed (e.g., e-mail campaigns against the Company, calls on social media to boycott the Company) and from social hacking. Borussia Dortmund seeks to counter these IT cyber risks by reducing the risk of occurrence through investments in data security and data protection. That includes expanding the firewall to protect against external attacks and launching Project Security, a general initiative to identify and address potential security vulnerabilities.

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 five high-priority risks:

Protecting confidential information is a subject that remains in the public eye. Never before has data protection posed so many challenges. In particular, the increasing internationalisation of day-to-day business operations necessitates a detailed understanding of the respective data protection regulations applicable in individual countries. In addition, technical progress harbours many pitfalls, especially in relation to online data. Hackers stepped up their attacks in recent years, releasing the personal data of politicians, celebrities and others. Action has to be taken to prevent the unauthorised

access and manipulation of data. Confidential data that is processed, transferred or stored online must be encrypted. The data should remain encrypted and protected even if the online application is compromised. The IT security officers, the heads of the individual application areas and the data protection officers are responsible for initiating the data; the developers and administrators are responsible for implementation. To meet the increased requirements for cyber security and IT in general, action was taken to significantly increase staffing levels in IT.

The risk of periods during which professional players are unable to play (rest periods) can have a major impact on the Company's success, because they mean that team managers are unable to play the best possible team for the entire season, putting sporting goals in jeopardy. The absence of key players in particular is often difficult to compensate for. The reasons for rest periods include personal match bans, injury, excessive stress or a COVID-19 virus infection. The systematic implementation of DFL's hygiene concept minimises the risk that the professional squad and the coaching and support staff will contract the COVID-19 virus. Excessive stress may arise more frequently going forward, particularly since the coming season will in all likelihood see a tight schedule of fixtures due to the 2022 World Cup in Qatar (to be held in the winter) and UEFA's reform of the Champions League, which from the 2024/2025 season onwards will feature ten group matches instead of the previous six. We deliberately ensure that back-ups are available for every position within the squad so that we can absorb the absence of any individual player.

The world of sport has witnessed a number of terrible accidents in recent years. The tragic loss of

human life takes precedence – that goes without saying – but the economic consequences for the businesses involved have also been immense. There thus continues to be a risk of travel and other accidents, terrorist attacks and miscellaneous; therefore, Borussia Dortmund continues to classify this risk as high priority.

The risk of legal transgressions by professional players was newly classified as a high-priority risk this financial year. It covers the risks arising due to misconduct among members of the professional squad, including doping offences, illegal sports betting or inappropriate conduct on social media. The consequences of such misconduct may include match suspensions and reputational damage for players and the club, or legal disputes. The action that Borussia Dortmund takes to mitigate this risk includes systematic education and preventative measures to raise awareness among the professional squad and help them avoid such misconduct.

Another risk newly classified as high priority is the lack of willingness to transfer. The contracts that players negotiate at Borussia Dortmund are incredibly lucrative when looking at other Bundesliga clubs. For players who, for whatever reason, spend more time on the bench than they want, this could nevertheless deter them from accepting transfers.

The ongoing COVID-19 pandemic has caused financial difficulties for many clubs in Germany and around the world. This could increasingly lead to situations in which other clubs are unwilling to meet the salary expectations of players whom Borussia Dortmund intends to transfer, making it difficult for Borussia Dortmund to find a suitable buyer.

Category 3 – macroeconomic risk

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

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

The COVID-19 pandemic and the resulting restrictions on public life as well as the associated massive impact this has had on the global economy, including the football sector, is still being acutely felt in Germany and throughout the world. Aside from the health consequences, the COVID-19 crisis continues to particularly impact Borussia Dortmund's sales categories. The functional health and safety protocol ensured the continuation of match operations in the 2020/2021 season and with that the generation of TV marketing income. However, the general ban on spectators in stadiums meant that income from match operations mostly dried up. The COVID-19 restrictions on hospitality services and match day advertising also impacted advertising income. Conference, catering and miscellaneous income was also weighed down due to the lack of both public catering income on match days and events organised by BVB Event & Catering GmbH. The global economic situation remains tense, and this could continue to impact the transfer market. While Borussia Dortmund cannot rule out that transfer proceeds for players will continue to decline (temporarily) in coming transfer windows, it nevertheless still expects opportunities to obtain high transfer proceeds for players in individual cases.

The downturn in proceeds caused by the COVID-19 pandemic has impacted not only individual sales categories but also the Group's liquidity. The financial and liquidity planning apparatus that has been in place at Borussia Dortmund for many years considers a variety of scenarios and

different premises, and is regularly adjusted to account for current conditions, so that any liquidity bottlenecks can be identified early and appropriate countermeasures designed to secure liquidity can be initiated. This includes the extension of the existing overdraft facility.

Borussia Dortmund considers this confirmation that it made the right choice in the previous financial year to establish the outbreak of epidemics/pandemics as a stand-alone and overarching individual risk so as to account for the consequences of the COVID-19 pandemic. Furthermore, this individual risk impacts almost all other existing risks.

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

The Hamburg Institute of International Economics (HWWI) has updated its forecast for economic development in Germany. Following another economic slowdown on the back of the second lockdown imposed in the winter of 2020/2021, the recovery interrupted in the autumn of 2020 now looks to be continuing thanks to progress in vaccinations and the lifting of restrictions. After economic output contracted by 4.8% in the previous year, growth of 3% is expected for both 2021 and 2022. An improvement is also emerging on the labour market, initially driven by a reduction in partial furloughs (*Kurzarbeit*).

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, anti-Semitism and hate speech and to ensure that the lessons of the past are never forgotten, Borussia Dortmund will continue to fulfil its social responsibility by ensuring that the atmosphere in and outside the stadium is welcoming, cosmopolitan and diverse.

The increased willingness of certain individuals to commit violence and defame and insult others at stadiums is a risk that will continue to require the utmost attention. Fan violence continued to plague football in the reporting period, even if the 2020/2021 season was mostly played behind closed doors. Prevention efforts and security plans put in place in the previous season ensured that potentially violent groups were identified in advance, helping to prevent altercations to the greatest extent possible. Borussia Dortmund will continue to counter this risk with enhanced security checks, camera surveillance, stadium bans and criminal complaints. Additional stadium safety measures will continue to include specific structural changes to entrances going forward. Furthermore, Borussia Dortmund and other clubs from North Rhine-Westphalia signed up to "*Stadionallianz gegen Gewalt*" in the reporting period, a joint initiative with the police to more rapidly identify and isolate perpetrators, and bring them to justice.

In connection with the dispute about who should cover the costs of providing security at home matches, the clubs of the first and second Bundesliga divisions voted on 3 December 2019 that the costs incurred by the Bremen police should be borne in full by SV Werder Bremen. The clubs also resolved that SV Werder Bremen could defer a partial amount of 50% until a final ruling on the legal dispute was issued by the Federal Constitutional Court, and to reject a fund model of any kind.

Passing these costs on to the Bundesliga clubs would present an earnings and liquidity risk for those clubs, Borussia Dortmund included.

The categorisation of social media activities as a high-priority risk reflects the fact that new technologies not only have potential for development, but also harbour risk potential.

Social media is no longer used solely for communicating with fans and followers, but increasingly also serves as an advertising platform for marketing and sponsoring-related activities. Borussia Dortmund has vastly expanded its digital presence, among other things due to the restrictions placed on direct contact with fans as a result of the ongoing COVID-19 pandemic.

In order to safeguard the Company's image and prevent the unauthorised disclosure of internal information, all Borussia Dortmund employees must adhere to the Company's social media guidelines.

Category 4 – competitive risk

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

This category includes seven high-priority risks:

Interruptions to match operations can have immense economic ramifications because nearly all of Borussia Dortmund's sales categories are dependent on or influenced by match operations. The ongoing COVID-19 pandemic has underscored how economically dependent the club is on a trouble-free season. The 2020/2021 season was completed without major scheduling issues thanks to the systematic implementation of DFL's health and safety protocol – even if the majority of matches were played behind closed doors.

The second risk classified as high-priority in this category is the change in income from TV marketing. After DFL Deutsche Fußball Liga's auctions for TV rights led to a steady rise in income from TV marketing in recent years, the COVID-19 crisis meant that the auction for the 2021/2022 to 2024/2025 seasons did not bring as much income for the clubs of the first and second Bundesliga divisions as in previous rights periods; in total, EUR 4.4 billion will be distributed in the coming four years. Future instalments of TV marketing income to be paid by DFL Deutsche Fußball Liga to the clubs will continue to depend on maintaining match operations. The functional health and safety protocol for the 2020/2021 season has shown that it is possible to see a season through to a trouble-free conclusion despite the COVID-19 pandemic.

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 now very lucrative distributions available from UEFA and the international prestige derived from taking part in UEFA competitions underscore the importance of both qualifying and obtaining the requisite licences for international club competitions. To minimise this risk therefore, compliance with the relevant requirements and target/actual comparisons are constantly reviewed. Several European clubs have

already been disciplined and banned from international competitions for violating Financial Fair Play rules. In the wake of the COVID-19 crisis, UEFA is currently consulting on potential reforms to its Financial Fair Play guidelines, which will likely be resolved at the end of 2021.

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, the roster should be planned so that any unexpected departures do not leave holes that would need to be filled at short notice with players of equal quality. In an attempt to mitigate the sporting consequences of key players switching clubs, Borussia Dortmund plans its roster well in advance, including by binding players to long-term contracts, uses its high transfer proceeds to reinvest in the squad and employs a wide network of scouts.

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

Borussia Dortmund uses the summer break each year to invest in SIGNAL IDUNA PARK as well as for construction work and refurbishments. The stadium has been expanded three times since opening in 1974 with a capacity of 54,000. The continual repair and maintenance work – the paramount focus of which is always structural integrity and safety – ensures that the stadium meets the latest standards in terms of safety, security and comfort. Compared to many other Bundesliga stadiums that were constructed for the 2006 World Cup, SIGNAL IDUNA PARK is one of the Bundesliga's oldest stadiums in use. Given that Borussia Dortmund regularly invests large sums in SIGNAL IDUNA PARK and in light of the increasing requirements applicable to stadiums, including with respect to spectator safety, the club has classified capital expenditures needed for SIGNAL IDUNA PARK as a high-priority risk. The ongoing COVID-19 pandemic and the associated economic consequences mean that only essential investments are currently being made in the stadium.

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

Borussia Dortmund uses the properties adjacent to SIGNAL IDUNA PARK for car parks or to store products and equipment needed for match operations. The southwest container and logistics area is located on land with uncertain topography,

which is why sinkholes and similar subsidence cannot be ruled out. An additional expert opinion has been obtained, which states that there is merely a risk of the subsoil subsiding, not of collapse. This will likely result in lower costs being incurred in the course of the survey and reinforcement, since it may be that geogrids will no longer be necessary and fill dirt will instead be compressed into the ground to achieve the requisite stability. The construction work is already underway and will likely be completed in the summer of 2021.

Category 5 – liquidity risk

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

This category includes four high-priority risks:

The loss of significant financial backers and sponsors due to insolvency could also have a material adverse effect on Borussia Dortmund's liquidity in the future. Attention continues to be placed on the potential loss of significant financial backers and sponsors and the introduction of corresponding countermeasures precisely because of the ongoing COVID-19 crisis and the associated adverse economic consequences for the German and global economy. Borussia Dortmund continuously revises its longstanding accounts receivable management system in line with the prevailing conditions and increasing globalisation. The club also reviewed and implemented other risk mitigation measures such as introducing upfront payments or changing payment terms. Borussia Dortmund is also in close contact with its customers and partners and its sponsoring marketing firm SPORTFIVE Germany GmbH, and is maintaining a close and trusting relationship with them. This is also evident from the individual solutions that Borussia Dortmund has found with its partners to

compensate for cancelled (hospitality) services. The majority of (hospitality) services that Borussia Dortmund was unable to render due to the ongoing COVID-19 pandemic were compensated for by means of other (advertising) services, meaning that Borussia Dortmund's partners have asserted practically no compensation claims.

The fact that new agreements have been entered into with partners despite the ongoing pandemic suggests that there will be no major decline in the willingness of potential sponsors to seek out new opportunities once the crisis is over.

Due to the ongoing COVID-19 crisis, the risk of bad debts due to insolvency remains classified as a high-priority risk.

The COVID-19 crisis has caused one of the worst economic downturns for Germany and the world in the post-war period. The ongoing pandemic will continue to impact the solvency of companies and football clubs alike. Borussia Dortmund anticipates that problems could arise with regard to transfer receivables. The primary objective continues to be keeping bad debts to a minimum and to ensure that the Company has the liquidity it needs at all times. That is why it is all the more important to follow through on the action already taken, such as conducting credit checks on foreign businesses or changing the general contractual framework to include high up-front payments. Dunning procedures are likewise particularly vital. Furthermore, additional action was taken to ensure liquidity and counter any potential bad debts.

Borussia Dortmund places utmost importance on maintaining its liquidity and, after assessing its risks during the ongoing COVID-19 pandemic, therefore continues to classify the risk associated with this as high priority. The financial and liquidity planning apparatus that has been in place for many years considers a variety of scenarios and different

premises, and is regularly adjusted to account for current conditions. The scenarios calculated covered in particular different levels of success achieved by the team and various external conditions attributable to COVID-19 in order to identify any liquidity bottlenecks early and to initiate appropriate countermeasures designed to secure liquidity. They included extending the existing EUR 60,000 thousand overdraft facility by EUR 60,000 thousand to EUR 120,000 thousand.

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

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

OPPORTUNITIES

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

Borussia Dortmund's approach to its squad is one of continuity, but it also has an eye to creating new momentum and structures in its personnel choices. In December 2020, Borussia Dortmund parted ways with Lucien Favre, its head coach of two-and-a-half years. His erstwhile assistant coach Edin Terzic then led the team to victory in the DFB Cup and qualification for the UEFA Champions League. Marco Rose from Bundesliga rivals Borussia Mönchengladbach will take over as the new head coach at Borussia Dortmund from the 2021/2022 season. Marco Rose is a team player, and the club wants him to guide Borussia Dortmund back to playing its trademark modern, attacking and up-front style of football.

Edin Terzic has extended his contract through to 30 June 2025 and will be filling the newly created position of technical director. Going forward, he will play a permanent part in planning the roster, win over promising players for Borussia Dortmund, act as a go-between for the Youth Academy, support players on loan, and report directly to the sporting management, Michael Zorc and Sebastian Kehl. Borussia Dortmund looks forward to the momentum this will create.

The contract with head of the professional squad Sebastian Kehl was extended early until 30 June 2025. He will take over from Michael Zorc as sporting director from 1 July 2022. Borussia Dortmund also extended the contract with its youth academy coordinator Lars Ricken early until 30 June 2025. This long-term focus at level of sporting management offers Borussia Dortmund

a solid basis for planning and gives those in positions of responsibility the opportunity to keep building on the strong and trusting relationships they already enjoy and to unlock the potential for improvement that is there to see.

The team coalesced and found its strength in the final third of the 2020/2021 season and delivered consistent and solid performances to qualify for the UEFA Champions League and win the DFB Cup. The team has truly enormous potential, and the challenge now is to tap into this over the entire season. By signing Gregor Kobel, Borussia Dortmund has gained a communicative and vocal goalkeeper who never failed to put in a strong performance in the past Bundesliga season, whether in goal, in the penalty box or in passing play. He will further stabilise the team's defence. The healthy mix of grit, leadership and young ambition in the squad as well as consistency in its management is expected to help the team unlock its full potential and achieve the greatest possible success on the pitch.

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

Borussia Dortmund sees further potential in its youth setup, where it lays the foundation for its sporting success. To this end, the club added new offices for the sports management team at the Brackel training ground. This investment will help to further consolidate all the areas under the direction of the Sports department. Borussia Dortmund hopes the direct proximity to the training ground will help it work with greater efficiency and purpose and further optimise its pipeline of talented youngsters for the senior team.

In the past season, Youssefou Moukoko, Ansgar Knauff and Steffen Tigges, another three of the club's youth standouts, made the jump to the senior side and helped the team with their youthful exuberance. Other talented youngsters are also set to make the senior team.

Borussia Dortmund maintains close and longstanding partnerships with its sponsors. During times of crises, this continuity was also a reflection of the close and trusting relationships. This is also evident from the individual solutions that Borussia Dortmund has found with its partners to compensate for cancelled (hospitality) services. The majority of (hospitality) services that Borussia Dortmund was unable to render due to the ongoing COVID-19 pandemic were compensated for by means of other (advertising) services, meaning that Borussia Dortmund's partners have asserted practically no compensation claims. These good relationships built on trust and the solidarity displayed during crises also provide planning security.

Borussia Dortmund also believes it has good opportunities to adequately replace sponsoring agreements that are set to expire by leveraging its appeal to sign lucrative new contracts.

For Borussia Dortmund, the potential return of at least some spectators to SIGNAL IDUNA PARK in the 2021/2022 season is a massive opportunity, in particular to interact directly with fans. Since personal contact has been severely restricted during the ongoing COVID-19 pandemic, communicating digitally with fans continues to be more important than ever. New digital formats were and will be created for this reason. This increased focus on digital communications affords us the opportunity to strengthen the bonds our fans have with the club despite not being able to attend matches, and to grow Borussia Dortmund's fan base. This includes the 2021 Virtual Summer Tour, with Borussia Dortmund making virtual stops in nine countries across three continents between 10 and 18 July 2021 to bring the club even closer to and connect with its international fan communities and partners and give all fans (not just) from the nine participating countries the chance to immerse themselves in the world of Borussia Dortmund.

OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES

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

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

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

REPORT ON EXPECTED DEVELOPMENTS

EXPECTED DEVELOPMENT OF THE COMPANY

Borussia Dortmund finished the 2020/2021 season in third place with 64 points, qualifying directly for the lucrative group stage of the UEFA Champions League in the coming season. Borussia Dortmund has thus qualified for an international cup competition for the twelfth time in a row since the 2010/2011 season.

As reigning DFB Cup champions, Borussia Dortmund will face FC Bayern Munich in this year's DFL Super Cup at SIGNAL IDUNA PARK on 17 August 2021.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

The expected general economic environment is dominated by the ongoing COVID-19 pandemic. The strains of the coronavirus already rampant, in particular the delta variant, are hindering efforts to overcome the pandemic. Despite low infection rates, progress in vaccinating the population and decisions to roll back restrictions, the pandemic remains ever-present in Germany and around the world. Professional football has been heavily impacted too, and must continue to play its part to overcome the crisis.

DFL Deutsche Fußball Liga GmbH has published its fixture calendar for the 2021/2022 season. The new Bundesliga season will begin in mid-August 2021, and Borussia Dortmund will make its début at home to Eintracht Frankfurt.

Income from match operations are directly tied to allowing spectators to visit SIGNAL IDUNA PARK. At the beginning of July 2021, Germany's federal states decided to permit a partial return of fans to stadiums in time for the new season. The resolution, which is initially in force until 11 September 2021, permits stadiums to operate at maximum 50% capacity, with the total number of spectators initially capped at 25,000. Approval from the competent authorities is required as a basic prerequisite for

spectators to return. This will take into account infection rates, which must not exceed 35 cases per 100,000 residents. At anything above this, a maximum of 5,000 spectators will be permitted. Those who have not been vaccinated or have not recovered from COVID-19 must show a negative test result. In addition, the health and safety protocols and social distancing will remain in place. Even if these new rules are an improvement on the previous season, the partial return of fans to the terraces is closely linked to low infection rates. Thus, although higher income is expected than in the previous year, it will still be a lot lower and plagued by far more uncertainties than before the pandemic.

Commercially successful professional football operations are no longer limited to just regional or national levels. The team's success in these competitions is very much a focus in all plans. Qualifying for the group stage of the UEFA Champions League continues to place Borussia Dortmund in a better financial position. Playing and delivering positive performances in the competition not only generates income, it can also widen the club's media and brand coverage, which promotes the club's interaction with existing fans and encourages others to begin following Borussia Dortmund. The club intends to promote these

effects with a progressive internationalisation strategy that is regularly tailored to current trends. In light of this, Borussia Dortmund aims to further expand and professionalise its digital presence. Borussia Dortmund thereby responds to social trends and to a large degree leverages the attractiveness of the Borussia Dortmund brand. The growing international awareness of the brand that this gives rise to allows the club to tap foreign markets. This includes the 2021 Virtual Summer Tour, with Borussia Dortmund making virtual stops in nine countries across three continents between 10 and 18 July 2021 to bring the club even closer to and connect with its international fan communities and partners and give all fans (not just) from the nine participating countries the chance to immerse themselves in the world of Borussia Dortmund.

Since the 2020/2021 season, Borussia Dortmund has had two different kit sponsors. The team wears kits bearing the logo of Evonik Industries AG in all international club competitions, friendlies staged abroad and DFB Cup matches, while 1&1 Telecommunication SE is the kit sponsor for Bundesliga matches. This one-of-a-kind sponsorship model was developed as part of the internationalisation strategy and promises further sales potential going forward, since it allows the club and its respective partners to target specific markets.

In the 2021/2022 season, Borussia Dortmund once again marketed its virtual advertising boards. SIGNAL IDUNA PARK's advertising boards can be digitally overlaid in the broadcast signal to target the respective TV audiences when broadcasting matches abroad. For Borussia Dortmund's international partners in particular, this is an attractive and increasingly popular way to reach their customers worldwide.

Despite the ongoing COVID-19 pandemic and the ensuing economic declines, professional football,

particularly in Germany, has not lost any of its allure. Borussia Dortmund also maintains close and longstanding partnerships with its sponsors. Borussia Dortmund remains just as appealing as ever. As such, Borussia Dortmund will also operate in a demanding market and competitive environment in the coming season.

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

DFL Deutsche Fußball Liga GmbH has informed the clubs of the first and second Bundesliga divisions about the expected distribution volume for the 2021/2022 season. The announced disbursements of the TV funds will allow for a good degree of planning. However, these plans may change at any time due to the ongoing COVID-19 pandemic. The amount and timing of the disbursements depends in particular on partners making due contractual payments and the 2021/2022 season being seen through to a trouble-free conclusion.

Despite the massive impact of the COVID-19 pandemic, DFL Deutsche Fußball Liga GmbH sold the German media rights for the 2021/2022 to 2024/2025 seasons for an average of approximately EUR 1.1 billion per year, with the individual disbursements increasing from season to season. This corresponds to total income of EUR 4.4 billion, exceeding the billion-euro mark once more and continuing the high sales level seen in previous years. Sky Germany secured the rights to all live broadcasts on Saturdays, while DAZN will broadcast matches on Fridays and Sundays. Football will also return to free-to-air TV after a 17-year hiatus, with ProSieben/Sat1 acquiring the broadcasting rights to a total of nine live matches. Even though the agreement fell somewhat short of expectations with a decline in volume of around 5%, in these uncertain times it

represents the best possible degree of stability and an excellent economic foundation for the coming seasons.

The COVID-19 pandemic is also affecting international TV marketing from UEFA competitions. To alleviate the financial impact of the pandemic on the clubs, the income shortfall will be spread over five seasons (from the 2019/2020 to the 2023/2024 season), which will stretch the adverse effects out over a longer period. In specific terms, UEFA will make the deductions before distributing funds to the clubs. The planned distributions nevertheless remain highly attractive.

Stadium marketing is subject to compliance with social distancing and health and safety protocols, but this does enable stadium tours to be offered. External events can likewise be held in the hospitality areas, albeit with restricted guest numbers. Under the appropriate conditions, football training courses can also be offered. The likely restrictions on selling alcoholic beverages and the limited stadium capacities at home matches will weigh on the profitability of public catering.

This sales category therefore also remains affected, since it is dictated by political decisions and official stipulations.

Transfer deals are an important part of Borussia Dortmund's business and, as in previous years, represent a significant source of income. However, in view of the developments in the economic environment, Borussia Dortmund on principle only takes transfer income into limited account in its planning. The transfer policy nevertheless presents significant opportunities to generate substantial

income. Consequently, transfer deals are always assessed against the background of the current season. High transfer sums often go hand in hand with a drop in quality within the team, but it cannot be ruled out that value-driven transfers will be concluded contrary to the Company's sporting interests. Given Borussia Dortmund's sustained success, its players are increasingly piquing the interest of other top clubs.

The COVID-19 pandemic continues to affect transfers. Based on last year's summer transfer window, it can be assumed that the economic uncertainty and decline in income experienced by clubs around the world will continue to temporarily reduce the transfer fees received for players. The summer transfer window is now back to normal and will last from 1 July to 31 August 2021.

Despite the expected potential losses and the uncertainty as the situation continues to unfold, the European leagues remain attractive for talented young players. Besides that, Borussia Dortmund has an excellent team. An active transfer market can be expected all the same in the summer of 2021, with some very lucrative deals in the pipeline. A notable example is the transfer of Jadon Sancho to Manchester United in July 2021.

Overall assessment of expected performance

The COVID-19 crisis continues to overshadow the economic activities of German companies, forcing them to confront the major challenge of having to operate in a highly uncertain environment. Borussia Dortmund also expects to face significant economic restrictions in the coming period. Even if infection rates in Germany are currently at a stable low level and progress is being made in the vaccination campaign, there remains an ever-present risk that infections will flare up and tougher restrictions will be imposed to control them. This will shape

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

EXPECTED RESULTS OF OPERATIONS

Expected earnings trend

The ongoing COVID-19 pandemic continues to pose major challenges for Germany and the world. The number one priority is containing the spread of the COVID-19 virus in all facets of life. Professional football must also play its part in overcoming the crisis. Borussia Dortmund GmbH & Co. KGaA also remains heavily affected. Therefore, the expectation is of further severe adverse effects on the earnings trend in financial year 2021/2022.

The projection is that matches will be played to limited spectator numbers in the first half of the new season, with the second half seeing a return to full capacity. As a result of the measures to contain the pandemic, only a limited number of tickets will initially be made available per match, which will continue to weigh heavily on income from match operations and public catering.

Despite the economic uncertainties and a more subdued transfer market, Borussia Dortmund expects there to be some very lucrative transfer deals in the offing, setting up net transfer income as a significant earnings driver.

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

In light of the high degree of uncertainty related to all sales categories, the management currently expects to generate a net loss of between EUR 14,000 thousand and EUR 19,000 thousand in the coming 2021/2022 financial year.

In this planning scenario, the result from operating activities (EBIT) will exceed the forecast net loss for the year by the financial result and tax expense of

approximately EUR 2,000 thousand. The operating result (EBITDA) would be around EUR 107,000 thousand higher than the result from operating activities (EBIT) due to depreciation and amortisation and would probably amount to between EUR 86,000 thousand and EUR 91,000 thousand.

Expected sales trend

In the past financial year, Borussia Dortmund generated sales of EUR 323,497 thousand. Sales are expected to increase to approximately EUR 484,000 thousand in the coming reporting period, due primarily to growing transfer income. However, the measures to contain the ongoing COVID-19 pandemic will continue to impact nearly all of Borussia Dortmund GmbH & Co. KGaA's sales categories.

Expected trend for significant operating expenses

Cost management continues to be Borussia Dortmund's highest priority. Operating cost-effectively makes a material contribution to earnings, and Borussia Dortmund is unwavering in its efforts to achieve further optimisation.

Personnel expenses account for approximately half of all operating expenditure. Portions of these personnel expenses are also dependent upon the club's sporting success, because the professional squad is compensated on the basis of its performance, meaning that these expenditures are always commensurate with the club's success, which itself is a source of income.

The other operating expenses are also partly dependent on the number of matches and the club's success on the pitch. Any efforts at cost optimisation aside, there may therefore be an increase in operating expenses that goes hand-in-hand with a material increase in income and corresponding contribution to earnings.

EXPECTED DIVIDEND

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

to propose to the Annual General Meeting any dividend distribution for financial year 2020/2021.

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.

Due to the adverse economic consequences of the ongoing COVID-19 pandemic, Borussia Dortmund is currently pursuing a rather passive transfer policy and is focusing on sensible ways to reinvest transfer fees already received. Even non-essential investments in SIGNAL IDUNA PARK are being postponed until further notice.

In order to mitigate and avoid financial risk, Borussia Dortmund in principle pursues a conservative and extremely prudent capital expenditure strategy and will not count on any uncertain sporting successes.

Expected liquidity trend

Due to the assumptions made, Borussia Dortmund expects cash flows from operating activities in financial year 2021/2022 to amount to approximately EUR 58,000 thousand. This figure is subject to change due in particular to transfer deals or if actual events differ from the forward-looking statements in the forecast concerning the club's sporting success or on account of the effects of the COVID-19 pandemic. Free cash flow is expected to amount to approximately EUR -31,000 thousand.

OVERALL ASSESSMENT OF EXPECTED PERFORMANCE

The consequences of the COVID-19 pandemic will continue to have adverse effects in the coming 2021/2022 financial year. Due to the positive results of operations in the financial years prior to the COVID-19 pandemic, stable equity of EUR 257,858 thousand (which corresponds to an equity ratio of approximately 56.83%) as at 30 June 2021

despite the net loss for the year, and the Company's long-term focus, Borussia Dortmund considers itself prepared to handle the still uncertain economic situation. The management is continuously reassessing the situation as it pertains to the COVID-19 pandemic.

OTHER DISCLOSURES

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

REPORT IN ACCORDANCE WITH § 289A (1) HGB IN THE VERSION PURSUANT TO ARTICLE 83 (1) SENTENCE 2 EGHGB

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 2021, 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 2021:

- 1) Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 14.88% of the voting rights (of which 5.53% held directly and 9.35% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to § 22 (2) and henceforth § 34 (2) WpHG)
- 2) Bernd Geske, Meerbusch, Germany: 14.88% of the voting rights (of which 9.35% held directly and 5.53% held indirectly by including the voting rights of Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany, pursuant to § 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 (4) AktG) –, the ordinary or simplified reduction of share capital (§ 222 (1) sentence 2 and § 229 (3) AktG) or a change of legal form (§ 233 (2) and § 240 (1) of the German Reorganisation and Transformation Act [*Umwandlungsgesetz*, "UmwG"]). In addition, capital increases, other changes to the Articles of Association and other decisions of a fundamental nature may only be resolved with the approval of the general partner in accordance with § 285 (2) sentence 1 of the AktG. The Supervisory Board is authorised in accordance with Article 12 No. 5 of the Articles of Association to resolve changes to the Articles of Association which relate only to the wording thereof, in particular in connection with the amount of capital increases from authorised and conditional capital.

7. By virtue of the resolution by the Annual General Meeting on 19 November 2020, the general partner is authorised until 18 November 2025, with the approval of the Supervisory Board, to increase the share capital by a maximum of EUR 18,400,000 in total by issuing new no-par value ordinary bearer shares against cash contributions on one or more occasions (Authorised Capital 2020). The previous Authorised Capital 2014 of EUR 23,000,000 had been subject to an authorisation valid until 23 November 2019. This was not utilised and as such the authorised capital expired on 23 November 2019.
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, 9 August 2021

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

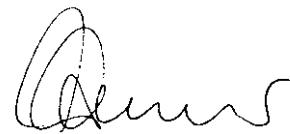
Borussia Dortmund Geschäftsführungs-GmbH



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 2020 to 30 June 2021

BALANCE SHEET

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

EUR '000	30/06/2021	30/06/2020
ASSETS		
A. FIXED ASSETS		
I. Intangible fixed assets		
1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	203,935	248,880
2. Prepayments	68	68
	204,003	248,948
II. Tangible fixed assets		
1. Land, land rights and buildings including buildings on third-party land	167,784	172,481
2. Other equipment, operating and office equipment	14,682	16,336
3. Prepayments and assets under construction	259	1,952
	182,725	190,769
III. Long-term financial assets		
1. Shares in affiliated companies	12,052	11,621
2. Equity investments	96	96
3. Other loans	27	32
	12,175	11,749
	398,903	451,466
B. CURRENT ASSETS		
I. Inventories		
Merchandise	67	46
II. Receivables and other assets		
1. Trade receivables	32,740	45,563
2. Receivables from affiliated companies	1,570	1,511
3. Other assets	2,303	1,516
	36,613	48,590
III. Cash-in-hand, bank balances		
	3,466	3,157
	40,146	51,793
C. PREPAID EXPENSES		
	14,696	15,509
	453,745	518,768

EUR '000	30/06/2021	30/06/2020
EQUITY AND LIABILITIES		
A. EQUITY		
I. Subscribed capital	92,000	92,000
less nominal value of treasury shares	-19	-19
Issued capital	91,981	91,981
II. Capital reserves	144,337	144,337
III. Revenue reserves		
1. Reserve for treasury shares	19	19
2. Other revenue reserves	147,662	147,662
	147,681	147,681
IV. Net loss for the year / net accumulated losses	-126,141	-49,662
	257,858	334,337
B. PROVISIONS		
1. Provisions for taxes	36	36
2. Other provisions	10,265	8,150
	10,301	8,186
C. LIABILITIES		
1. Liabilities to banks	58,792	8,031
2. Trade payables	97,864	135,122
3. Liabilities to affiliated companies	7,367	4,719
4. Other liabilities	17,113	24,675
of which from taxes: EUR 6,898 thousand (previous year: EUR 9,870 thousand)		
of which in relation to social security: EUR 38 thousand (previous year: EUR 35 thousand)		
	181,136	172,547
D. DEFERRED INCOME	4,450	3,698
	453,745	518,768

INCOME STATEMENT

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

EUR '000	01/07/2020 – 30/06/2021	01/07/2019 – 30/06/2020
1. Sales	323,497	442,126
2. Other own work capitalised	0	37
3. Other operating income	7,327	9,098
	330,824	451,261
4. Personnel expenses		
a) Wages and salaries	-200,010	-196,889
b) Social security, post-employment and other employee benefit costs of which for post-employment: EUR 226 thousand (previous year: EUR 285 thousand)	-5,594	-6,634
	-205,604	-203,523
5. Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	-110,137	-105,547
6. Other operating expenses	-91,663	-193,474
7. Income from profit and loss transfer agreements - all of which from affiliated companies -	1,007	4,669
8. Expenses from profit and loss transfer agreements - all of which from affiliated companies -	-748	0
9. Other interest and similar income of which from compounding: EUR 120 thousand (previous year: EUR 180 thousand)	121	180
10. Interest and similar expenses of which from discounting: EUR 40 thousand (previous year: EUR 154 thousand)	-642	-2,934
11. Earnings before taxes	-76,842	-49,368
12. Taxes on income	342	-50
13. Earnings after taxes	-76,500	-49,418
14. Other taxes	21	-244
15. Net loss for the year	-76,479	-49,662
16. Loss/profit carried forward	-49,662	20,325
17. Transfer to other revenue reserves	0	-20,325
18. Net accumulated losses	-126,141	-49,662

**NOTES Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund
for the financial year from 1 July 2020 to 30 June 2021**

(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 2020 to 30 June 2021 have been prepared in accordance with the requirements of the German Commercial Code (*Handelsgesetzbuch*, "HGB") and the particular accounting requirements of the German Stock Corporation Act (*Aktiengesetz*, "AktG"). Borussia Dortmund GmbH & Co. KGaA has its registered office at Rheinlanddamm 207 – 209, 44137 Dortmund, Germany, and is listed in the commercial register of the Local Court (*Amtsgericht*) of Dortmund under the number HRB 14217. There is an additional obligation in accordance with § 315e (1) HGB to prepare consolidated financial statements applying international financial reporting standards (IFRS) as adopted by the EU.

The balance sheet classifications comply with the classification format under commercial law in accordance with § 266 HGB, while the income statement has in principle been prepared in the

vertical format using the nature of expense method in accordance with § 275 HGB.

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

The annual financial statements are presented in thousands of euros.

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

ACCOUNTING POLICIES

Fixed assets

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

Tangible fixed assets are measured at cost less accumulated depreciation. Depreciation and amortisation are based on the economic useful lives of assets. Items with a value between EUR 150.00 to EUR 1,000.00 were recognised as an omnibus item and will be written down over a period of five years.

Long-term financial assets were measured at cost or the lower fair value in case of permanent impairment; they are not subject to amortisation.

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 is made for the overall credit and interest-rate risk while separate allowances are recognised for identifiable individual risks. Because transfer receivables must be measured in full on an item-by-item basis, general valuation allowances are not recognised for them.

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, while foreign-denominated liabilities are accounted for at the hedged exchange rate.

Deferred taxes

Deferred tax assets and liabilities resulting from differences in the carrying amounts in the financial accounts and in the tax accounts are netted against each other if certain conditions are met. Irrespective of their date of realisation, deferred tax assets were recognised on loss carryforwards in the amount of the excess deferred tax liabilities. As in the previous year, deferred taxes are measured using the average tax rate of 32.81%.

Deferred income

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

Foreign currency translation

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

NOTES TO THE BALANCE SHEET

Fixed assets

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

EUR '000	30/06/2021	30/06/2020
Intangible fixed assets	204,003	248,948
Tangible fixed assets	182,725	190,769
Long-term financial assets	12,175	11,749
	398,903	451,466

Intangible fixed assets

Intangible fixed assets amounted to EUR 204,003 thousand. These consist of purchased player registrations (EUR 203,067 thousand; previous year: EUR 247,789 thousand), as well as trademark rights, computer software and prepayments. The additions recognised in financial year 2020/2021 (EUR 58,738 thousand) related in full to player registrations.

These mainly resulted from the new signings Jude Bellingham and Thomas Meunier as well as the trainer Marco Rose and performance-based subsequent costs.

This was partly offset by amortisation and write-downs of EUR 99,608 thousand in the reporting period. This included EUR 1,591 thousand in write-downs of assets to fair value.

Due to transfer deals, the carrying amounts for the players Mario Götze, André Schürrle, Ömer Toprak, Dženis Burnić and Łukasz Piszczek were derecognised, as was the carrying amount for trainer Lucien Favre due to the dissolution of his contract.

Tangible fixed assets

Tangible fixed assets amounted to EUR 182,725 thousand as at 30 June 2021. That figure included land and buildings amounting to EUR 167,784 thousand, of which EUR 124,104 thousand was attributable to the stadium building.

Tangible fixed assets also included EUR 7,505 thousand in fixtures, operating and office equipment related to SIGNAL IDUNA PARK.

Additions to tangible fixed assets amounted to EUR 2,922 thousand in the financial year, EUR 2,987 thousand less than capital expenditures as at 30 June 2020. Due to the ongoing COVID-19 pandemic, investments were made primarily in the Brackel training ground. Capital expenditures there amounted to EUR 2,170 thousand. Both the power plant and the sprinting hill were completed this year.

Long-term financial assets

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

Long-term financial assets also include loans to employees.

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

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

FIXED ASSETS

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

EUR '000	Change in cost				As at 30/06/2021
	As at 30/06/2020	Additions	Reclassification	Disposals	
I. Immaterielle Vermögensgegenstände					
1. Concessions, industrial and similar rights and assets, and licences in such rights and assets	472,653	58,738	0	83,459	447,932
2. Prepayments	68	0	0	0	68
	472,721	58,738	0	83,459	448,000
II. Tangible fixed assets					
1. Land, land rights and buildings including buildings on third-party land	222,232	165	1,857	0	224,254
2. Other equipment, operating and office equipment	48,228	1,310	1,283	858	49,963
3. Prepayments and assets under construction	1,952	1,447	-3,140	0	259
	272,412	2,922	0	858	274,476
III. Long-term financial assets					
1. Shares in affiliated companies	11,621	431	0	0	12,052
2. Equity investments	96	0	0	0	96
3. Other loans	32	0	0	5	27
	11,749	431	0	5	12,175
	756,882	62,091	0	84,322	734,651

ANNUAL FINANCIAL STATEMENTS
for the financial year from 1 July 2020 to 30 June 2021

Change in depreciation, amortisation and write-downs					Carrying amounts		
As at 30/06/2020	Additions	Write-downs	Disposals	As at 30/06/2021	As at 30/06/2021	As at 30/06/2020	
223,773	98,017	1,591	79,384	243,997	203,935	248,880	
0	0	0	0	0	68	68	
223,773	98,017	1,591	79,384	243,997	204,003	248,948	
49,751	6,719	0	0	56,470	167,784	172,481	
31,892	3,810	0	421	35,281	14,682	16,336	
0	0	0	0	0	259	1,952	
81,643	10,529	0	421	91,751	182,725	190,769	
0	0	0	0	0	12,052	11,621	
0	0	0	0	0	96	96	
0	0	0	0	0	27	32	
0	0	0	0	0	12,175	11,749	
305,416	108,546	1,591	79,805	335,748	398,903	451,466	

Current assets

Current assets are made up as follows:

EUR '000	30/06/2021	30/06/2020
Inventories	67	46
Trade receivables	32,740	45,563
Receivables from affiliated companies	1,570	1,511
Other assets	2,303	1,516
Cash-in-hand, bank balances	3,466	3,157
	40,146	51,793

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

Trade receivables includes transfer receivables amounting to EUR 18,584 thousand (previous year: EUR 32,631 thousand).

Trade receivables with a term of more than one year amounted to EUR 8,857 thousand (previous year: EUR 12,093 thousand).

The other assets mainly include insurance reimbursement claims.

No bank balances have been pledged as security for loans.

Prepaid expenses

Prepaid expenses amounted to EUR 14,696 thousand (previous year: EUR 15,509 thousand) and consisted primarily of prepaid personnel expenses

resulting from contract extensions amounting to EUR 9,879 thousand and services amounting to EUR 4,285 thousand.

Equity

EUR '000	30/06/2021	30/06/2020
Issued capital	91,981	91,981
Capital reserves	144,337	144,337
Revenue reserves	147,681	147,681
Net accumulated losses	-126,141	-49,662
	257,858	334,337

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 (30 June 2021), 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. 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 own/treasury shares	Total share capital EUR	Share in share capital in %	Selling price EUR
07/2020 – 12/2020	0				0.00
As at 31/12/2020		18,900	18,900.00	0.021	
01/2021 – 06/2021	0				0.00
As at 30/06/2021		18,900	18,900.00	0.021	

By virtue of a resolution by the Annual General Meeting on 19 November 2020, the Company was authorised until 18 November 2025, subject to the renewed consent of the Supervisory Board, to

increase the share capital by a maximum of EUR 18,400,000.00 in total by issuing new no-par value ordinary bearer shares against cash contributions on one occasion.

The annual financial statements for the financial year from 1 July 2019 to 30 June 2020 were adopted at the Annual General Meeting on 19 November 2020. The net loss for the year of EUR 49,662,283.90

reported in the Company's annual financial statements for the 2019/2020 financial year was carried forward to new account in financial year 2020/2021.

Changes in equity were as follows:

Changes in equity

EUR '000	30/06/2020	Additions/ Withdrawals	Dividend	Net loss for the year	30/06/2021
Issued capital	91,981	0	0	0	91,981
Capital reserves	144,337	0	0	0	144,337
Revenue reserves	147,681	0	0	0	147,681
Net accumulated losses	-49,662	0	0	-76,479	-126,141
	334,337	0	0	-76,479	257,858

Provisions

EUR '000	30/06/2021	30/06/2020
Provisions for taxes	36	36
Other provisions	10,265	8,150
	10,301	8,186

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

obligations (EUR 5,914 thousand) and provisions for outstanding invoices (EUR 3,030 thousand).

Liabilities

The maturities and security granted in respect of liabilities reported at 30 June 2021 are shown in the following overview:

EUR '000	Total 30/06/2021	of which with a residual term of		
		less than 1 1 year	1 – 5 years	more than 5 years
Liabilities to banks	58,792	58,792	0	0
Trade payables	97,864	61,894	35,970	0
Liabilities to affiliated companies	7,367	7,367	0	0
Other liabilities	17,113	17,113	0	0
of which from taxes EUR 6,898 thousand (previous year: EUR 9,870 thousand)				
of which social security EUR 38 thousand (previous year: EUR 35 thousand)				
	181,136	145,166	35,970	0

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

Liabilities to banks of EUR 58,792 thousand were reported at the balance sheet date. The full potential overdraft facility is secured against sponsorship income of EUR 18,465 thousand as well as a EUR 60,000 thousand registered land charge in relation to the stadium.

As at 30 June 2021, trade payables amounted to EUR 97,864 thousand, of which EUR 87,683 thousand (previous year: EUR 120,287 thousand) related to transfer deals. Trade payables with a

residual term of more than one year amounted to EUR 35,970 thousand (previous year: EUR 69,627 thousand).

Other liabilities consisted mainly of the residual credits for prepayments on season tickets for the 2019/2020 season, wage and value added tax not yet due and staff-related liabilities not yet due.

They also include liabilities to the general partner amounting to EUR 2,132 thousand (previous year: EUR 1,937 thousand).

Deferred income

This items primarily includes proceeds from sponsoring agreements relating to the 2021/2022 season. The amounts are reversed rateably over the periods to which they relate. Because of the

ongoing COVID-19 pandemic, the services under sponsorship agreements not rendered in the 2019/2020 and 2020/2021 seasons were carried over into subsequent seasons as compensation.

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 30/06/2021	of which with a residual term of		
		less than 1 year	1 - 5 years	more than 5 years
Marketing fees	38,700	7,259	31,441	0
Rental and leasing	11,489	3,376	5,184	2,929
Other financial obligations	7,213	1,762	5,167	284
Purchase commitments	16,000	5,500	10,500	0
	73,402	17,897	52,292	3,213

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

In addition, a total of EUR 33,846 thousand in variable payment obligations under existing agreements with conditions precedent were reported as at 30 June 2021, of which EUR 18,400 thousand had a residual term of less than one year.

NOTES TO THE INCOME STATEMENT

Sales

EUR '000	2020/2021	2019/2020
Match operations	554	32,510
Advertising	106,609	98,038
TV Marketing	186,655	169,836
Transfer deals	23,148	123,732
Conference, catering, miscellaneous	6,531	18,010
	323,497	442,126

Borussia Dortmund's sales declined by EUR 118,629 thousand to EUR 323,497 thousand in the 2020/2021 financial year and break down as follows:

Income from match operations decreased by EUR 31,956 thousand to EUR 554 thousand in financial year 2020/2021. Due to the ongoing COVID-19 pandemic, only the three home matches against Borussia Mönchengladbach, SC Freiburg and FC Schalke 04 were open to a limited number of spectators. All other matches in the three competitions were held behind closed doors. In the same period of the previous year, twelve Bundesliga matches, one DFB Cup match and four UEFA Champions League matches had been played before a live audience at SIGNAL IDUNA PARK prior to the suspension of match operations in March 2020.

Despite the restrictions on hospitality services and match day advertising due to the COVID-19 pandemic, advertising income increased by EUR 8,571 thousand to EUR 106,609 thousand in financial year 2020/2021. This represents a 8.74% increase and a 32.96% share of total sales. This increase was due primarily to the new agreements with the two primary sponsors Evonik Industries AG and 1&1 Telecommunication SE as well as with the equipment supplier PUMA International Sports Marketing B.V. that went into effect on 1 July 2020. The holder of the stadium's naming rights, SIGNAL IDUNA Holding AG, the sleeve sponsor, Opel Automobile GmbH, and the ten Champion Partners continue to contribute greatly to income from advertising. Borussia Dortmund also added another sponsor for its youth programmes: adesso SE.

In addition to basic fees, advertising income also includes bonuses for taking third place in the table at the end of the season and the resulting automatic qualification for the group stage of the 2021/2022 UEFA Champions League, for reaching the knockout stages in the UEFA Champions League, and for winning the DFB Cup in the 2020/2021 financial year.

In financial year 2020/2021, income from TV marketing once again represented the highest share of sales (57.70%) and increased by EUR 16,819

thousand year on year to EUR 186,655 thousand. TV marketing income from domestic cup and international competitions rose. Domestic TV marketing income remained at virtually the same level as in the previous year.

Income from domestic TV marketing amounted to EUR 97,826 thousand, down EUR 139 thousand against the prior-year reporting period.

Income from international TV marketing amounted to EUR 78,698 thousand in the financial year (previous year: EUR 67,420 thousand). The EUR 11,278 thousand increase resulted from the group stage, which Borussia Dortmund finished with four wins and one draw, as well as from qualifying for the UEFA Champions League quarter-final in financial year 2020/2021. In the previous year, Borussia Dortmund was knocked out in the round of 16.

Unlike in the previous year, Borussia Dortmund did not win the DFL Super Cup, its first competitive match of the current financial year, although it did take home the title in the domestic cup competition. Income from domestic cup competitions thus amounted to EUR 10,131 thousand (previous year: EUR 4,729 thousand).

Income from transfer deals declined by EUR 100,584 thousand to EUR 23,148 thousand (previous year: EUR 123,732 thousand) It resulted from the transfers of Dženis Burnić to 1. FC Heidenheim and Ömer Toprak to SV Werder Bremen, as well as from income from subsequent transfer deals.

In the previous financial year, the players Maximilian Philipp transferred to FC Dynamo Moscow, Abdou Diallo to Paris Saint-Germain, Alexander Isak to Real Sociedad, Julian Weigl to Benfica Lisbon, Paco Alcácer to Villarreal CF, Jacob Bruun Larsen to TSG Hoffenheim, Sebastian Rode to Eintracht Frankfurt and Shinji Kagawa to Real Zaragoza.

Conference, catering and miscellaneous income declined by EUR 11,479 thousand to EUR 6,531 thousand (previous year: EUR 18,010 thousand) The COVID-19 pandemic and the resulting absence of spectators on match days had a negative impact on income from hospitality and catering as well as on advance booking fees for match day and season ticket sales.

In the reporting period, miscellaneous income, which includes rental and lease income and BVB TV, decreased by EUR 7,190 thousand to EUR 4,097 thousand. This was due primarily to the spin-off of BVB Fußballakademie GmbH as at 1 October 2020

as well as this year's DFL Super Cup in Munich. In the previous year, a four-part documentary series about Borussia Dortmund had also been marketed. The release fees for national team players decreased by EUR 443 thousand to EUR 2,268 thousand.

Other operating income

Other operating income decreased by EUR 1,771 thousand year on year to EUR 7,327 thousand.

During the current financial year, this consisted mainly of insurance reimbursements, income from the reversal of provisions and income from the reimbursement for granting contractual marketing rights.

In the previous year, this item had included income from the reversal of provisions, insurance reimbursements and from the waiver of reimbursement claims as well as to reversals of write-downs.

The share of prior-period income in other operating income amounted to EUR 1,898 thousand (previous year: EUR 5,382 thousand).

Personnel expenses

In financial year 2020/2021, personnel expenses amounted to EUR 205,604 thousand (previous year: EUR 203,523 thousand).

EUR '000	2020/2021	2019/2020
Match operations	146,185	143,713
Retail and Administration	19,279	18,303
Amateur and youth football	11,398	12,144
	176,862	174,160

Furthermore, the professional squad received performance-based bonuses of EUR 28,742 thousand in financial year 2020/2021 (previous year: EUR 29,363 thousand). This was due to the team finishing in third-place finish in the

Bundesliga with 64 points, winning the DFB Cup, reaching the quarter-final of the UEFA Champions League, thereby automatically qualifying for the group stage of the competition in the coming 2021/2022 season.

Other operating expenses

EUR '000	2020/2021	2019/2020
Match operations	41,405	49,981
Advertising	11,366	27,192
Transfer deals	9,565	80,058
Retail	1,696	2,227
Administration	22,815	25,094
Other	4,816	8,922
	91,663	193,474

Other operating expenses decreased by EUR 101,811 thousand or approximately 52.62% across all items of other operating expenses, from EUR 193,474 thousand in the previous year to EUR 91,663 thousand in the reporting period.

The largest decrease under this item was seen in transfer deals, which fell by EUR 70,493 thousand to EUR 9,565 thousand. By contrast to the previous year, during which transfer deals resulted in the carrying amounts for the players Maximilian Philipp, Abdou Diallo, Alexander Isak, Julian Weigl, Paco Alcácer, Jacob Bruun Larsen and Sebastian Rode being derecognised, the only carrying amounts derecognised this financial year were for the players Ömer Toprak and Dženis Burnić as well as for the former trainer Lucien Favre. This item also includes sales-related costs for departures and other (subsequent) variable transfer compensation.

Expenses from match operations decreased by EUR 8,576 thousand to EUR 41,405 thousand (previous year: EUR 49,981 thousand). This was due mainly to lower catering expenses as well as lower match

day expenses, as only three home matches were played for the 2020/2021 season, with severely restricted stadium capacity.

Advertising expenses decreased by EUR 15,826 thousand. Despite the increase in advertising income, the newly signed agency licensing agreement with the marketing firm SPORTFIVE Germany GmbH made it possible to significantly reduce the agency commission payable.

Administrative expenses decreased during the financial year ended by EUR 2,279 thousand to EUR 22,815 thousand. A slight increase in IT expenses was offset by significantly lower travel, representation and event expenses.

Other expenses decreased by EUR 4,106 thousand to EUR 4,816 thousand. This reduction was caused mainly by lower allowances on receivables and lower losses on disposals of fixed assets as well as lower expenses for office supplies.

The share of prior-period expenses in other operating expenses amounted to EUR 604 thousand (previous year: EUR 651 thousand).

Financial result

The financial result for financial year 2020/2021 amounted to EUR -262 thousand (previous year: EUR 1,915 thousand) and breaks down as follows: Income and expenses from profit and loss transfer agreements totalled EUR 259 thousand (previous

year: EUR 4,669 thousand). These include the results of BVB Merchandising GmbH, BVB Event & Catering GmbH, BVB Stadionmanagement GmbH, besttravel dortmund GmbH and BVB Fußballakademie GmbH.

Income from profit and loss transfer agreements

EUR '000	Net profit/loss 01/07/2020 to 30/06/2021	Net profit/loss 01/07/2019 to 30/06/2020
BVB Stadionmanagement GmbH	42	64
besttravel dortmund GmbH	100	566
BVB Merchandising GmbH	-748	2,458
BVB Event & Catering GmbH	725	1,581
BVB Fußballakademie GmbH	140	-
Total	259	4,669

Furthermore, interest income of EUR 121 thousand was recognised and related to entirely to compounding. Interest expenses amounted to EUR 642 thousand and comprised mainly financing charges of EUR 554 thousand and discounting effects of EUR 40 thousand.

Taxes on income

EUR 342 thousand in tax income (previous year: tax expense of EUR 50 thousand) was reported under taxes on income. This was due primarily to the receipt of trade tax reimbursements.

OTHER DISCLOSURES

Corporate Governance

The management and Supervisory Board of Borussia Dortmund GmbH & Co. KGaA issued the Declaration of Conformity with the German Corporate Governance Code required by § 161 of the German Stock Corporation Act (*Aktiengesetz*, "AktG") on 7 September 2020 and made it permanently available to shareholders on the website at <https://aktie.bvb.de/eng/Corporate-Governance/Statement-of-Compliance>.

General partner

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

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

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

EUR '000	2020/2021	2019/2020
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	1,905	1,802
Other remuneration	41	40
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	905	860
Other remuneration	61	72
Carsten Cramer		
Fixed components		
Fixed remuneration	873	864
Other remuneration	33	42
	3,818	3,680

The management did not receive any performance-based remuneration for the 2020/2021 financial year or the previous year.

SUPERVISORY BOARD

The members of the Company's Supervisory Board waived 33.33% of their Supervisory Board remuneration in financial year 2020/2021. Their names, occupations and their further responsibilities on other management bodies are listed below:

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. KGaA

Gerd Pieper	Christian Kullmann	Bernd Geske	Peer Steinbrück	Ulrich Leitermann	Bjørn Gulden	Dr. Reinhold Lunow	Silke Seidel	Bodo Löttgen	Judith Dommermuth
Chairman	Deputy Chairman		(until 19 November 2020)						(since 19 November 2020)

FULL REMUNERATION PAYABLE FOR 2020/2021 (EUR '000)

48	36	24	9	24	24	24	24	24	15
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OCCUPATIONS (as at 30 June 2021)

Retired; former Managing Director of Stadt-Parfümerie Pieper GmbH, Herne	Chairman of the Executive Board of Evonik Industries AG, Essen	Managing partner of Bernd Geske Lean Communication, Meerbusch	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group, Dortmund (SIGNAL Krankenversicherung a.G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., Hamburg; SIGNAL IDUNA Unfallversicherung a.G., Dortmund; SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund)	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund	Chair of the CDU parliamentary group in the state parliament of North Rhine-Westphalia, detective chief inspector (Kriminalhauptkommissar) (ret.), public administration graduate	Managing partner of JUVIA Verwaltungs GmbH, Cologne
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OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 30 June 2021)

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

The average number of employees during the year was 462 (previous year: 517):

Average number of salaried employees	2020/2021	2019/2020
Total	462	517
of which in the Athletics Department	233	273
of which trainees	2	4
of which other	227	240

List of shareholdings

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

	Registered office	Share capital (EUR '000)	Shareholding %	Equity (EUR '000) as at 30/06/2021	Net profit/loss (EUR '000) 01/07/2020 to 30/06/2021
Shares in affiliated companies					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	42
besttravel dortmund GmbH*	Dortmund	50	100.00	144	100
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	-748
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	725
BVB Asia Pacific Pte. Ltd.	Singapur	66	100.00	220	27
BVB Fußballakademie GmbH*	Dortmund	50	100.00	431	140
Equity investments					
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	1,027	81

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

** Profit/loss of Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH for financial year 2020 and equity as at 31 December 2020.

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

The consolidated financial statements are published in the electronic Federal Gazette.

Related-party disclosures

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

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

Auditors' fee

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

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

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

Of the shareholdings in our Company, the following were notified to us pursuant to § 33 (1) of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG") and published with the following content pursuant to § 40 (1) WpHG in financial year 2020/2021:

On 26 February 2021, Mr François Henri Joseph Pinault and Mr François Jean-Henri Pinault notified us that their voting rights in Borussia Dortmund GmbH & Co. KGaA amounted to 0.0% as at 16 May 2018 (0 voting rights or shares); that their notification was submitted due to the discontinuation of the jointly attributed controlling position in relation to PUMA SE, as a consequence of which no voting rights stemming from shares in Borussia Dortmund GmbH & Co. KGaA were attributable to Kering S.A., Artémis S.A. or Financière Pinault S.C.A.

PUMA SE, Herzogenaurach, Germany, notified us on 17 February 2021, that its share of voting rights in Borussia Dortmund GmbH & Co. KGaA amounted

to 4.99% on 16 February 2021 (4,599,900 voting rights or shares) and that all of their voting rights were held directly by PUMA SE in accordance with § 33 WpHG.

Mr Ralph Dommermuth notified us on 8 February 2021 that his voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 4.99% on 8 February 2021 (4,599,000 voting rights/shares) and that all of these voting rights were attributable to him (Mr Ralph Dommermuth) pursuant to § 34 WpHG via Ralph Dommermuth Beteiligungen GmbH, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- Ralph Dommermuth
- Ralph Dommermuth Verwaltungs GmbH
- Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft
- Ralph Dommermuth Beteiligungen GmbH with a voting interest of 4.99%

Shareholdings by members of governing bodies

As at 30 June 2021, one member of management held 7,045 no-par value shares in the Company. As at the same date, the members of the Supervisory Board held a total of 8,602,009 no-par value shares.

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

Expected dividend

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

to propose to the Annual General Meeting any dividend distribution for financial year 2020/2021.

Report on post-balance sheet date events

Transfer deals

Borussia Dortmund has reached an agreement with top English club Manchester United regarding the transfer of player Jadon Sancho. As part of this agreement, Borussia Dortmund will receive a fixed transfer fee of EUR 85.0 million, which is expected to have a positive effect of around EUR 56.0 million on the key earnings figures (EBITDA, EBIT) for the 2021/2022 financial year.

Borussia Dortmund has now reached an agreement with French club Olympique Marseille on the permanent transfer of Leonardo Balerdi, who had already spent the 2020/2021 season on loan there.

Capital expenditure

Borussia Dortmund has signed Dutch international Donyell Malen from PSV Eindhoven. The 22-year-old signed a contract that runs until 30 June 2026.

Match operations

On 4 December 2020, the DFB Executive Committee adopted the new fixture calendar for the 2021/2022 season. This stipulated that Bundesliga matches would start on the weekend of 13 to 15 August 2021. The 34th and final Bundesliga match day is scheduled for 14 May 2022.

The DFB Cup will start with the first round one week before the Bundesliga from 6 August 2021.

The DFL Super Cup between Borussia Dortmund and Bayern Munich will be played on 17 August 2021. The dates for the UEFA Champions League have also already been set: the first match day of the group stage will be played on 14/15 September 2021.

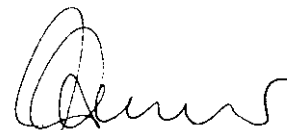
Dortmund, 9 August 2021
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

Note: This is a translation of the German original. Solely the original text in German language is authoritative.

INDEPENDENT AUDITOR'S REPORT

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

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

Opinions

We have audited the annual financial statements of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund ("Company" or "Borussia Dortmund"), which comprise the balance sheet as of June 30, 2021 and the statement of profit and loss for the financial year from July 1, 2020 to June 30, 2021, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien for the financial year from July 1, 2020 to June 30, 2021.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of June 30, 2021, and of its financial performance for the financial year from July 1, 2020 to June 30, 2021, in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of those components of the management report specified in the "Other Information" section of the auditor's report. The management report contains cross-references

that are not provided for by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB [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 judgment, were of most significance in our audit of the annual financial statements for

the financial year from July 1, 2020, to June 30, 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

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

THE FINANCIAL STATEMENT RISK

Player registrations in the amount of EUR 203.1 million are presented under intangible assets in the annual financial statements of Borussia Dortmund. Player registrations decreased to EUR 203.1 million in the financial year ended due to additions of EUR 58.7 million, reclassifications of EUR 0 million, disposals of EUR 4.1 million, write-downs of EUR 99.6 million and reversals of write-downs of EUR 0 million. Trade payables include transfer liabilities of EUR 87.7 million.

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

Furthermore, there is generally the risk of inappropriate subsequent measurement of the intangible assets and transfer liabilities, as well as of the completeness of transfer liabilities that may arise if conditional contractual components or contract modifications materialize.

OUR AUDIT APPROACH

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

As part of subsequent measurement, we checked material transfer and agent agreements to assess whether conditions had occurred in financial year 2020/2021 triggering subsequent acquisition costs and additional liabilities from transfers and whether these were recognized accordingly in the financial statements.

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

OUR OBSERVATIONS

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

***Completeness and accuracy of personnel expenses
of the professional squad***

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

THE FINANCIAL STATEMENT RISK

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

OUR AUDIT APPROACH

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

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

OUR OBSERVATIONS

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

Other information

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

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

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

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

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

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

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

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. 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 judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial

statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in

particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Assurance in accordance with Section 317 (3b) HGB on the Electronic Reproduction of the Annual Financial Statements and the Management Report Prepared for Publication Purposes

We have performed assurance work in accordance with Section 317 (3b) HGB to obtain reasonable assurance about whether the reproduction of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the file that can be downloaded by the issuer from the electronic client portal with access protection "ESEF-Prüfung.zip"; [SHA256-hash value: b26c9a4b8c1eba0ab33724ffda6c252b44c79c8d26b12b131d03789eabd7619f] and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the

conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the annual financial statements and the management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on

any other information contained in the above-mentioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from July 1, 2020 to June 30, 2021 contained in the "Report on the Audit of the Annual Financial Statements and of the Management Report" above.

We conducted our assurance work of the reproduction of the annual financial statements and the management report contained in the above-mentioned electronic file in accordance with Section 317 (3b) HGB and the Exposure Draft of the IDW Assurance Standard: Assurance in accordance with Section 317 (3b) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410). Accordingly, our responsibilities are further described below. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's management is responsible for the preparation of the ESEF documents including the electronic reproduction of the annual financial statements and the management report in accordance with Section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's management is responsible for the internal controls they consider necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Company's management is also responsible for the submission of the ESEF documents together with the auditor's report and the attached

audited annual financial statements and audited management report as well as other documents to be published to the operator of the German Federal Gazette [Bundesanzeiger].

The supervisory board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assessment of the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the electronic file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited annual financial statements and the audited management report.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor at the annual general meeting on November 19, 2020. We were engaged by the supervisory board on January 18, 2021. 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 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, 9 August 2021
KPMG AG Wirtschaftsprüfungsgesellschaft
[Original German version signed by]

gez. Fischer
Wirtschaftsprüfer
[German Public Auditor]

gez. Huperz
Wirtschaftsprüfer
[German Public Auditor]



RESPONSIBILITY STATEMENT

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

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, 9 August 2021

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

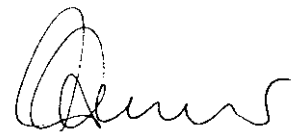
Borussia Dortmund Geschäftsführungs-GmbH



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 2020/2021 financial year**

(hereinafter also "Borussia Dortmund" or the "Group")

BUSINESS TREND

LOOKING BACK ON FINANCIAL YEAR 2020/2021

Athletic Performance

COVID-19 pandemic

The COVID-19 pandemic meant fewer spectators at games in the first Bundesliga division. Borussia Dortmund's first match of the season was against Borussia Mönchengladbach to a crowd of 6,918 on 19 September 2020, followed by home fixtures against SC Freiburg (10,548 spectators) and FC Schalke 04 (272 spectators). As the pandemic progressed, the rest of the season was played behind closed doors.

Bundesliga

Borussia Dortmund chalked up 64 points in the 2020/2021 Bundesliga season to finish in third place and qualify directly for the group stage of the UEFA Champions League in the 2021/2022 season.

UEFA Champions League

Borussia Dortmund advanced from the group stage to the round of 16 of the UEFA Champions League after finishing top of group F with four wins, one draw and one loss. The team celebrated a 3:2 victory in the first leg against Sevilla FC before drawing 2:2 at home to reach the quarter-finals, where it suffered close defeats to Manchester City in both legs and was knocked out of the competition.

DFB Cup

The team faced MSV Duisburg, Eintracht Braunschweig, SC Paderborn 07 and Borussia Mönchengladbach on its way to resounding victories against Holstein Kiel in the semi-final and RB Leipzig in the final. This was the fifth time that Borussia Dortmund has lifted the DFB Cup, and the team qualified for the DFL Super Cup in the 2021/2022 season.



DFB cup 1st round
14 September 2020
MSV Duisburg - BVB 0:5



1st match day
19 September 2020
BVB - Bor. M'gladbach 3:0

PERFORMANCE INDICATORS

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

Financial performance indicators

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

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

A further financial performance indicator is consolidated total operating proceeds. These are calculated as total revenue plus the gross transfer proceeds generated. This indicator is used to

reflect the Group's earnings power and as a source of funding for ordinary activities.

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

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

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

Free cash flow is defined as cash flows from operating activities plus cash flows from investing



2nd match day
26 September 2020
FC Augsburg - BVB 2:0



DFL-Supercup
30 September 2020
Bayern München - BVB 3:2

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.



3rd match day
3 October 2020
BVB - Sportclub Freiburg 4:0



4th match day
17 October 2020
TSG Hoffenheim - BVB 0:1

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT

Sponsorships

Since the beginning of the 2020/2021 season, Borussia Dortmund has had two kit sponsors. The team wears kits bearing the logo of Evonik Industries AG in all international club competitions, friendlies staged abroad and DFB Cup matches, while 1&1 Telecommunication SE is the kit sponsor for Bundesliga matches.

Borussia Dortmund's newest official Premium Partner for the next five years is DEW21 Dortmunder Energie- und Wasserversorgung GmbH. Both companies will leverage their proximity to one another to further strengthen their social and cultural outreach efforts in the city of Dortmund.

adesso SE is now the new primary and kit sponsor for Borussia Dortmund's youth squads. The Dortmund-based IT service provider will remain a sponsor until 2023, and from the 2021/2022 season onwards will also be the official kit sponsor for Borussia Dortmund's new women's team.

Borussia Dortmund extended its contract with its Champion Partner ROWE Marketing GmbH early until 30 June 2025.

In the 2020/2021 season, Borussia Dortmund also added Bybit (Wechain Fintech Pte. Ltd.) as a new Champion Partner.

The COVID-19 pandemic continued to impact sponsoring in the 2020/2021 season. The fact that matches were mostly held without spectators placed

restrictions on match-day advertising and the contractual claims of hospitality clients in particular could not be met in full. As a result, Borussia Dortmund saw its revenue here decline.

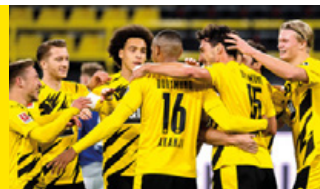
Transfer deals

Five players left Borussia Dortmund in the summer of 2020. After loaning Ömer Toprak for the past financial year, SV Werder Bremen exercised its buy option to permanently secure the defender's services. Mario Götze joined Dutch first-division club PSV Eindhoven in the 2020/2021 season after his contract with Borussia Dortmund was not extended at the end of the previous season. Achraf Hakimi's loan spell also ended on 30 June 2020, at which time he, too, departed Borussia Dortmund bound for Inter Milan. Dženis Burnić made the switch to 1. FC Heidenheim in the second Bundesliga division. André Schürrle signed a rescission agreement with the club and ended his football career.

Three other players left Borussia Dortmund on loan to other clubs: Leonardo Balerdi was loaned to Olympique Marseille in France's Ligue 1. After signing an early contract extension with Borussia Dortmund until 30 June 2022, Immanuel Pherai was loaned to PEC Zwolle for the current season. Both loan agreements are set to expire on 30 June 2021. At the start of October 2020, Marius Wolf was loaned to 1. FC Cologne until the end of the season.



1st match day UCL
20 October 2020
Lazio Rom - BVB 3:1



5th match day
24 October 2020
BVB - FC Schalke 3:0

Sergio Gómez had spent both the 2019/2020 and 2020/2021 seasons on loan to Spanish side SD Huesca, and Borussia Dortmund has now reached an agreement to transfer him to Belgian championship record-holders RSC Anderlecht on a permanent basis as at 1 July 2021. His contract, which was most recently extended until 2022, will be terminated as part of the transfer.

Jeremy Toljan also spent the past two seasons on loan, plying his trade at Italian Serie A side U.S. Sassuolo. Certain conditions have triggered the purchase option in his contract, resulting in a permanent transfer effective 1 July 2021.

Investments in the professional squad

Borussia Dortmund signed three new players in the summer of 2020. Thomas Meunier departed Paris Saint-Germain for Borussia Dortmund on a free transfer. Borussia Dortmund signed Jude Bellingham from Birmingham City and loaned Brazil U23 international Reinier Jesus Carvalho from Real Madrid until 30 June 2022.

Felix Passlack returned to Borussia Dortmund following his loan to Fortuna Sittard. The 22-year-old's contract was set to expire at the end of the season, and in May 2021 it was extended by two years until 2023.

In November 2020, Giovanni Reyna signed an early contract extension until 2025. February saw Marwin

Hitz sign an early contract extension until 2023. Steffen Tigges and Ansgar Knauff, two of Borussia Dortmund's talented youngsters, signed their first professional contracts and joined the senior squad.

Borussia Dortmund signed Soumaila Coulibaly, a 17-year-old centre back from Paris Saint-Germain.

At the end of May 2021, Borussia Dortmund signed goalkeeper Gregor Kobel from Bundesliga rivals VfB Stuttgart ahead of the new season. The 23-year-old signed a contract that runs until 30 June 2026.

TV Marketing

The call for tenders concerning the centralised marketing strategy for distributing the national and international TV marketing income for the 2021/2022 to 2024/2025 seasons has been concluded for the time being. The distribution of the TV marketing income was resolved in December 2020. Greater stability and more solidarity are the objectives. In light of the decline in income from national media rights, the consolidation being seen on international markets and the significant decrease in revenue at the club level due to the COVID-19 pandemic, the objective of the future distribution system is primarily to ensure stability during this period of uncertainty, while setting the course for the future and promoting solidarity at the same time. This offers Bundesliga clubs planning certainty during the current difficult situation.



2nd match day UCL
28 October 2020
BVB - St. Petersburg 2:0



6th match day
31 October 2020
Arminia Bielefeld - BVB 0:2

Nevertheless, a season without interruptions and timely payments by partners in line with their contracts are essential for ensuring the amount and timing of the distribution payouts.

The COVID-19 pandemic is also affecting marketing income in UEFA club competitions. In order to limit the financial impact of losses caused by the pandemic on the clubs participating in UEFA club competitions in the 2019/2020 season, UEFA has decided to compensate for the income shortfall by cutting future payouts to participating clubs over five seasons (from the 2019/2020 to the 2023/2024 season).

For the 2024/2025 season, the UEFA Champions League will follow a new format. A total of 36 teams will compete in a single league, signalling a departure from the current format's 32-team group stage. This will likely further boost the international TV marketing income generated from competing in the UEFA Champions League.

Match operations

Due to the functional health and safety protocol, there were no interruptions to the past 2020/2021 season.

In contrast to the original regulation, under which spectators were excluded from matches until 31 October 2020, Borussia Dortmund was able to welcome back a limited number of spectators for its home matches against Borussia Mönchengladbach, FC Schalke 04 and SC Freiburg at the beginning of

the season. All subsequent home matches had to be played behind closed doors due to the pandemic. This had a massive impact on the earnings potential of match operations.

As one season draws to a close it is customary for season tickets go on sale for the next season, but as in the previous year this had to be put on hold due to the continuing uncertainties surrounding stadium capacity in 2021/2022 in the wake of COVID-19.

Other

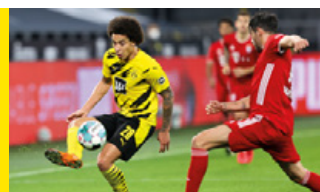
In December 2020, Borussia Dortmund parted ways with head coach Lucien Favre after two and a half years. His assistant coach Edin Terzic took over as interim head coach until the end of the season. He was assisted by Sebastian Geppert, who until then had coached the U17 squad, and Otto Addo, who coaches BVB's top talents.

From the 2021/2022 season onwards, Marco Rose from Bundesliga rivals Borussia Mönchengladbach will take over as new head coach at Borussia Dortmund, while Edin Terzic has extended his contract through to 30 June 2025 and will be assuming the newly created role of technical director.

Borussia Dortmund remains committed to continuity among its sporting management and extended the contract with its head of the professional squad Sebastian Kehl early until 30 June 2025. Sebastian



3rd match day UCL
4 November 2020
FC Brügge - BVB 0:3



7th match day
7 November 2020
BVB - Bayern München 2:3

Kehl will take over from Michael Zorc as sporting director from 1 July 2022. Borussia Dortmund also extended the contract with its youth academy director Lars Ricken early until 30 June 2025.

Beginning in the 2021/2022 season, Borussia Dortmund will have a women's team. Instead of acquiring the licence of another professional club we are organically developing and promoting women's football from within our club.

A total of ten players from Borussia Dortmund's professional squad were called up to their respective national teams for the European Championship, including Germany internationals Mats Hummels and Emre Can.

Borussia Dortmund lifted the DFB Cup for the fifth time after victories in 1965, 1989, 2012 and 2017. The team put on a sensational performance to defeat RB Leipzig 4:1 in the final, which was held at Berlin's Olympiastadion.

Borussia Dortmund extended the contracts of its managing directors. Hans-Joachim Watzke will continue to serve as CEO until 31 December 2025 and remains responsible for setting the Company's strategic course, as well as for the areas of "Sports", "Communications" and "Human Resources".

On the other hand, Thomas Treß and Carsten Cramer, whose contracts were set to expire on 30 June 2022, each signed early extensions until 30 June 2025. Thomas Treß will remain responsible for "Finance", "Organisation", "Legal" and "Investor Relations". Carsten Cramer is responsible for the "Sales & Marketing" and "Digitisation" areas.

Twelve of Europe's top clubs launched a new breakaway "Super League" to compete with the UEFA Champions League, only to cancel this project mere days later.

In early September 2020, Borussia Dortmund started live streaming on BVB's official Twitch channel. YouTube star Erné "FeelFIFA" Embeli hosts the interactive program.

In the past financial year, Borussia Dortmund published its fourth Sustainability Report entitled "United in solidarity. No matter what." at <https://verantwortung.bvb.de/2020/en/home-en/>.*

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



8th match day
21 November 2020
Hertha BSC - BVB 2:5



4th match day UCL
24 November 2020
BVB - FC Brügge 3:0

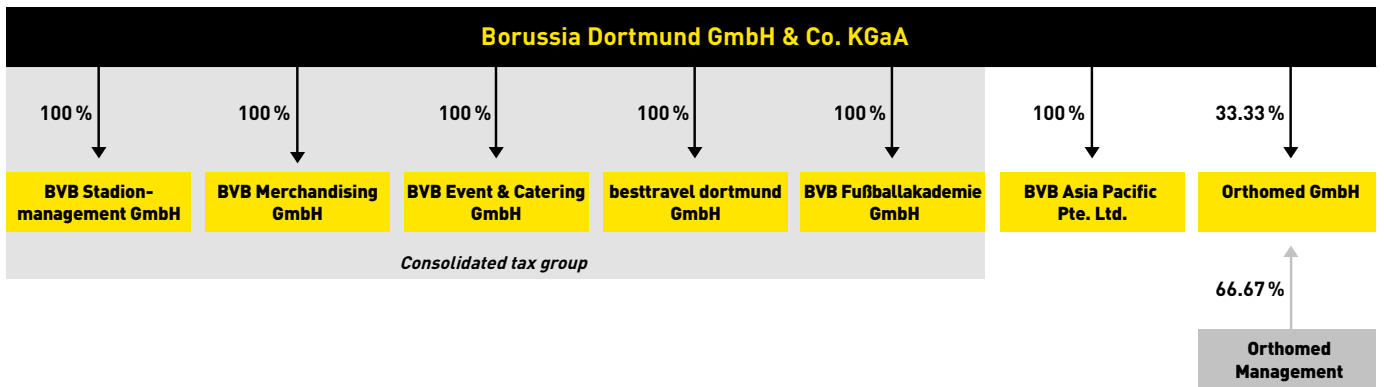
GENERAL INFORMATION ABOUT THE COMPANY

GROUP STRUCTURE AND BUSINESS OPERATIONS

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

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

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



9th match day
28 November 2020
BVB - 1. FC Köln 1:2



5th match day UCL
2 December 2020
BVB - Lazio Rom 1:1

ORGANISATION OF MANAGEMENT AND CONTROL

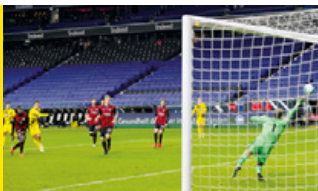
Borussia Dortmund Geschäftsführungs-GmbH, the general partner of Borussia Dortmund GmbH & Co. KGaA, is responsible for management and representation of the latter. Borussia Dortmund Geschäftsführungs-GmbH is for its part represented by Managing Directors Hans-Joachim Watzke (Chairman), Thomas Treß and 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.



10th match day
 5 December 2020
 Eintracht Frankfurt - BVB 1:1



6th match day UCL
 8 December 2020
 St. Petersburg - BVB 1:2

The members of the Company's Supervisory Board waived 33.33% of their Supervisory Board remuneration in financial year 2020/2021. Their names, occupations and their further responsibilities on other management bodies are listed below:

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. KGaA

Gerd Pieper	Christian Kullmann	Bernd Geske	Peer Steinbrück	Ulrich Leitermann	Bjørn Gulden	Dr. Reinhold Lunow	Silke Seidel	Bodo Löttgen	Judith Dommermuth
Chairman	Deputy Chairman		(until 19 November 2020)						(since 19 November 2020)

FULL REMUNERATION PAYABLE FOR 2020/2021 (EUR '000) [received by the members after waiving all remuneration in accordance with IAS 24.17 (a) in the 2020/2021 financial year].

48	36	24	9	24	24	24	24	24	15
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OCCUPATIONS (as at 30 June 2021)

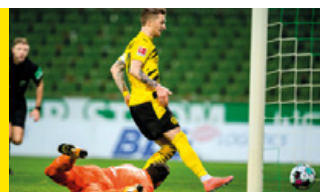
Retired; former Managing Director of Stadt-Parfümerie Pieper GmbH, Herne	Chairman of the Executive Board of Evonik Industries AG, Essen	Managing partner of Bernd Geske Lean Communication, Meerbusch	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group, Dortmund (SIGNAL Krankenversicherung a.G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., Hamburg; SIGNAL IDUNA Unfallversicherung a.G., Dortmund; SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund)	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmunder Stadtwerke AG and Managing Director of Hohenbuschei Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund	Chair of the CDU parliamentary group in the state parliament of North Rhine-Westphalia, detective chief inspector (Kriminalhauptkommissar) (ret.), public administration graduate	Managing partner of JUVIA Verwaltungs GmbH, Cologne
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OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 30 June 2021)

Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund	Chairman of the Supervisory Board of Clear-VAT Aktiengesellschaft, Berlin	Member and Chairman of the Supervisory Board of Dortmunder Volksbank eG, Dortmund; Member and Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning	Chairman of the Board Salling Group A/S, Braband, Denmark (since 6 March 2020); Member of the Supervisory Board of Tchibo GmbH, Hamburg	Member of the Advisory Board of Borussia Dortmund Geschäftsführungs GmbH, Dortmund
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11th match day
12 December 2020
BVB - VfB Stuttgart 1:5

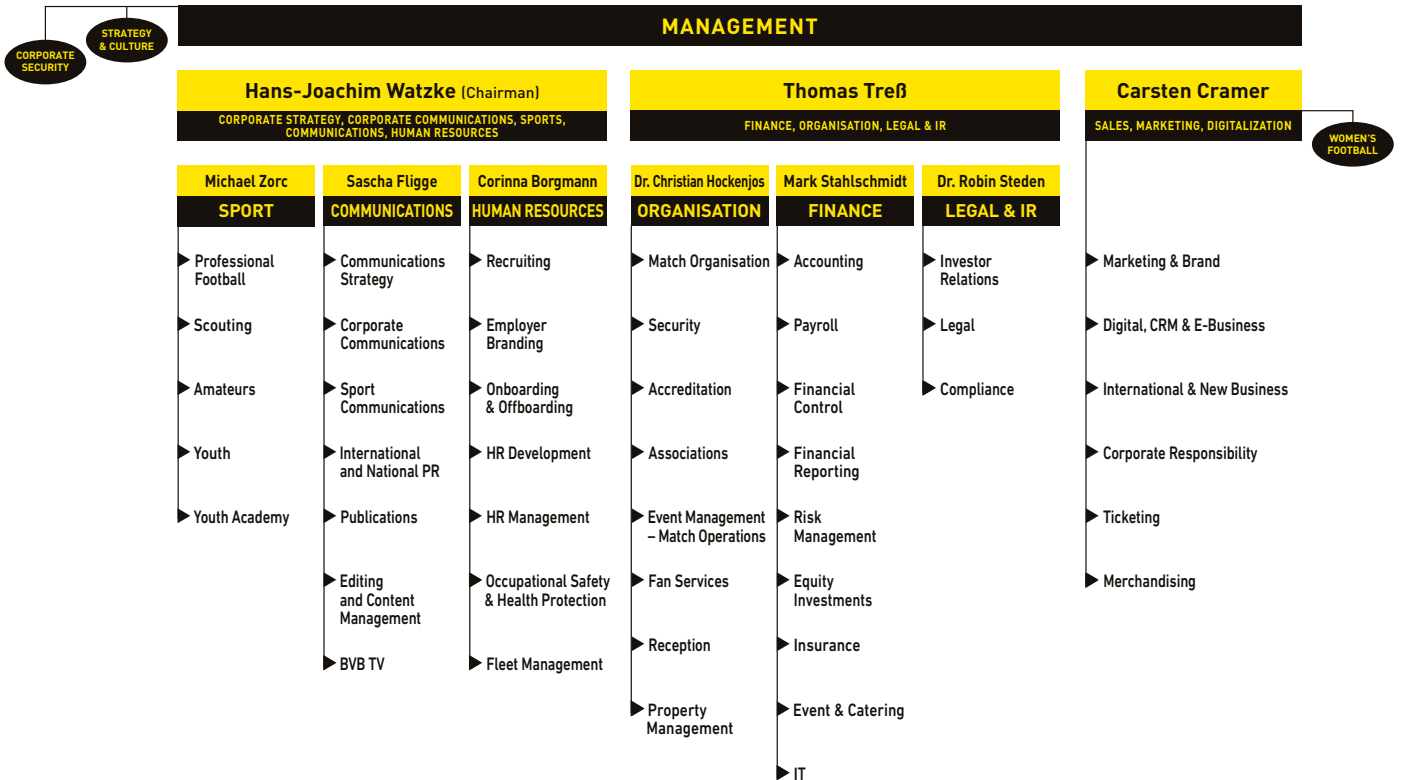


12th match day
15 December 2020
Werder Bremen - BVB 1:2

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

"Human Resources", "Organisation", "Finance" and "Legal & IR". 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



13th match day
 18 December 2020
 Union Berlin - BVB 2:1



DFB cup 2nd round
 22 December 2020
 Eintr. Braunschweig - BVB 0:2

INTERNAL MANAGEMENT AND CONTROL SYSTEM

Sports management

Going forward, we will continue to focus on achieving success on the pitch 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, TV marketing and net transfer income, as well as operating expenses, which can be lowered through disciplined management.

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

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

Capital management

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

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



14th match day
3 January 2021
BVB - VfL Wolfsburg 2:0



15th match day
9 January 2021
RB Leipzig - BVB 1:3

CORPORATE STRATEGY

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

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

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

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

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

Its current business strategy can principally be summarised as follows:

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



16th match day
16 January 2021
BVB - 1. FSV Mainz 05 1:1



17th match day
19 January 2021
Bayer Leverkusen - BVB 2:1

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

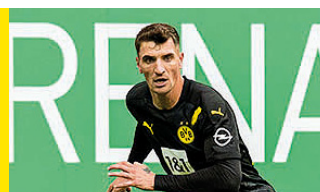
Thus a conflict arises between the pursuit of financial interests and sporting interests, i.e., a situation in which sporting considerations and financial considerations may be at odds with each other, particularly if the club continually falls short of its sporting goals. In such cases, management weighs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

Advertising plays a key role in this context. Over the years, advertising has grown to become one of the Company's largest income categories. In contrast to central TV marketing, where distribution is already clearly defined in advance, Company management is itself able to determine the requirements for and direction of sponsoring activities and, if necessary, modify the strategy implemented as circumstances change. The key figures for the sponsoring segment were already budgeted for the coming years based on commitments from SIGNAL IDUNA Group (ending 2026) and PUMA International Sports Marketing B.V. (ending 2028), the Company's chief partners, as well as the two primary sponsors 1&1 Telecommunication SE and Evonik Industries AG (both ending 2025).

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



18th match day
22 January 2021
Borussia M'gladbach - BVB 4:2



19th match day
30 January 2021
BVB - FC Augsburg 3:1

DIVIDEND POLICY

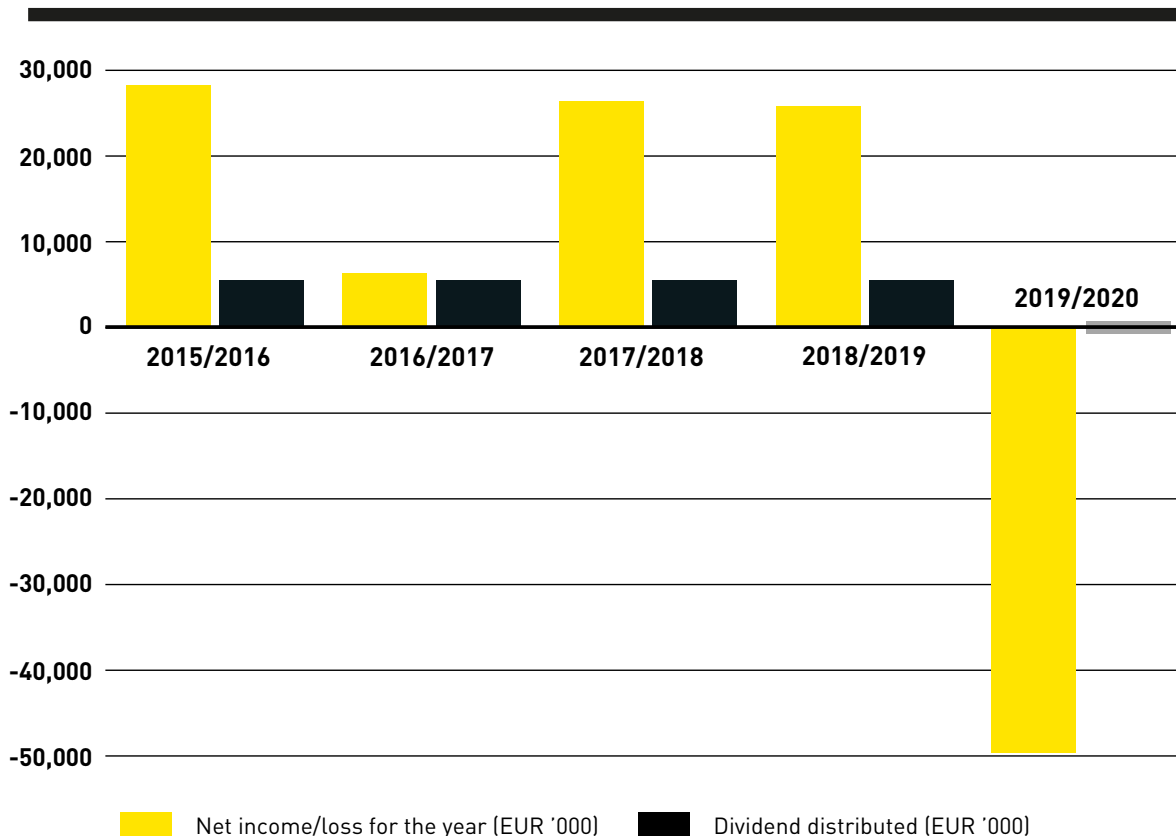
Two key indicators are assessed to shape Borussia Dortmund's dividend policy.

On the one hand, Borussia Dortmund assesses its earnings situation, and in the financial years before COVID-19 it generated a net profit. The Company reported a net loss for the current financial year, in particular on account of the continuing effects of the COVID-19 pandemic.

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

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

Dividend distribution



DFB cup 1/8 final
 2 February 2021
 BVB - FC Paderborn 3:2 n. V.



20th match day
 6 February 2021
 Sportclub Freiburg - BVB 2:1

SEPARATE NON-FINANCIAL GROUP REPORT

Please see the 2020/2021 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 2020/2021 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 29 October 2021, the Sustainability Report will be published online at <https://verantwortung.bvb.de/en>.*

CORPORATE GOVERNANCE DECLARATION PURSUANT TO § 289F HGB

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

In accordance with § 289b (2) sentence 2 HGB, Borussia Dortmund GmbH & Co. KGaA is exempt from preparing a non-financial statement.

The separate non-financial Group report is published online at <https://aktie.bvb.de/eng/Corporate-Governance/sustainability-report>.*

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



21th match day
13 February 2021
BVB - TSG Hoffenheim 2:2



1/8 final, first leg UCL
17 February 2021
FC Sevilla - BVB 2:3

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

Development of financial performance indicators

In the 2020/2021 financial year, Borussia Dortmund's financial performance indicators – revenue, consolidated total operating proceeds, 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 334,171 thousand in the reporting period. In its Annual Report as at 30 June 2020, Borussia Dortmund forecast that revenue would decline by approximately 5% for financial year 2020/2021 overall, based on the comparative figure for financial year 2019/2020.

Consolidated total operating proceeds

Consolidated total operating proceeds (total revenue plus gross transfer proceeds generated) amounted to EUR 358,577 thousand in the reporting period. As at 30 June 2020, Borussia Dortmund had forecast that consolidated total operating proceeds would amount to approximately EUR 388,000 thousand in financial year 2020/2021.

Operating result (EBITDA)

EBITDA amounted to EUR 38,950 thousand in the past financial year; the forecast for the full 2020/2021 financial year in the Annual Report dated 30 June 2020 had projected EBITDA to exceed the result from operating activities (EBIT) by approximately EUR 100,000 thousand.

Result from operating activities (EBIT)

In the past financial year, the result from operating activities amounted to EUR -72,093 thousand and the net loss for the year totalled EUR 72,810 thousand. The report on expected developments dated 30 June 2020 forecast a net loss for the year of between approximately EUR 70,000 thousand and EUR 75,000 thousand. The result from operating activities (EBIT) for the full 2020/2021 financial year was forecast to exceed the net loss for the year by approximately EUR 2,000 thousand.

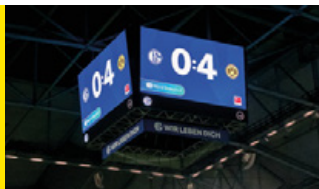
Cash flows

Cash flows from operating activities amounted to EUR 15,947 thousand in the 2020/2021 financial year.

Borussia Dortmund forecasted as at 30 June 2020 that it would generate cash flows from operating activities of approximately EUR 34,000 thousand for the full 2020/2021 financial year.

Free cash flow

Free cash flow in the 2020/2021 financial year amounted to EUR -46,075 thousand. The report on expected developments for the 2020/2021 financial year dated 30 June 2020 had forecast free cash flow of EUR -34,000 thousand.



22th match day
20 February 2021
FC Schalke 04 - BVB 0:4



23th match day
27 February 2021
BVB - Arminia Bielefeld 3:0

Borussia Dortmund Group (IFRS)

EUR '000	2020/2021	2019/2020
Revenue	334,171	370,196
Consolidated total operating proceeds	358,577	486,884
Operating result (EBITDA)	38,950	62,992
Result from operating activities (EBIT)	-72,093	-43,138
Net profit/net loss for the year	-72,810	-43,953
Cash flows from operating activities	15,947	-362
Free cash flow	-46,075	-51,131

Development of non-financial performance indicators

Borussia Dortmund's strategic corporate governance is centred around its fans, and their active involvement is fundamental to the club's business strategy. Especially in times of uncertainty and social isolation, it is crucial that we maintain and strengthen communication with our most important stakeholder group: our fans.

We discussed the current situation with fans, fan clubs and fan groups on many occasions in the past season. These talks demonstrated how much our fans continue to value the sport, the club and most of all the footballing community.

BVB wants to understand the impact that the pandemic is having on Borussia Dortmund's fan culture. To this end, an academic study was carried out in March which gave fans the opportunity to share their perception of the current status of the club, its fan community and professional football in general.

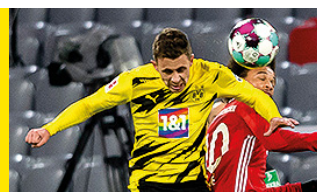
At the same time, BVB is a big proponent of engaging with its fans via its numerous digital platforms, such as the fan podcast, virtual Fan Council meetings and BVB's official Twitch channel.

BVB wants to focus more closely on youth work going forward, and develop specific activities and initiatives for young people across various educational levels. In addition, the club will continuously set aside tickets for young people that are awarded in a transparent manner.

Progress is also being made in developing the club's girl's and women's football programme. Doing things "the Dortmund way", the ambitious goal is for the BVB women's team to leave local league football behind as they aim higher. The team around the team is already in place. World champion and Olympic gold medallist Annike Krahn and ex-BVB pro Christian Timm are on board in an advisory capacity, while Thomas Sulewski has been named coach for the new team.



DFB cup quarter final
2 March 2021
Borussia M'gladbach - BVB 0:1



24th match day
6 March 2021
Bayern München - BVB 4:2

True to the guiding principle "Borussia unites!", BVB once again underscored its continuing commitment to combating discrimination by adopting the International Holocaust Remembrance Alliance's (IHRA) working definition of anti-Semitism in October 2020, an important step in the fight against anti-Semitism. On 27 January 2021, DAZN broadcast episode 5 "Never forget" of its documentary series "BVB 09 – Stories who we are".

The episode poignantly demonstrates Borussia Dortmund's commitment to important social issues by championing projects that promote a remembrance culture and historical and political education. This also includes the club's active role in the "Changing the Chants" project, which is funded by the European Union. Over the past two years, Borussia Dortmund has worked with Feyenoord Rotterdam, Fare Network and the Anne Frank House to devise and strengthen strategies that football clubs can use to educate fans about anti-Semitic behaviour in stadiums. Changing the Chants revolves around two separate educational

programmes for football fans run by Borussia Dortmund and Feyenoord. The project's closing meeting is planned for September 2021.

This year will see BVB restart the historical and political educational trips that it has run for fans since 2008 and for employees since 2011. They had been suspended for a year due to the COVID-19 pandemic.

In addition to being a socially responsible club, Borussia Dortmund also takes its environmental responsibility seriously. With this in mind, the club formed additional cross-disciplinary project groups that will increasingly tackle the issues related to the use of resources in match operations and mobility. In cooperation with Dortmund's municipal utilities authority (DSW21), BVB is expanding its KombiTicket combined match/transport ticket for both individual matches and season tickets. They will now cover the entire state of North Rhine-Westphalia, thereby increasing the use of public transport and helping to cut CO2 emissions.



1/8 final, second leg UCL
9 March 2021
BVB - FC Sevilla 2:2



25th match day
13 March 2021
BVB - Hertha BSC 2:0

The tickets had previously only been valid within the VRR transport authority region. Borussia Dortmund is also helping make employees' daily commute more environmentally friendly by offering the chance to lease a bicycle via BVB on a subsidised basis.

The beginning of 2021 also saw the launch of "Sustainable Merchandising", a project to develop a sustainability concept for BVB merchandising based on a prototype product. It will cover the prototype's entire production chain, from materials, through processing, down to logistics and re-use.

In addition, BVB has launched further projects to promote environmental protection and biodiversity, first and foremost using the club mascot, Emma, in educational programmes for children and young people. Examples include the BVB educational garden in the allotments behind SIGNAL IDUNA PARK and designing a nature trail in cooperation with SIGNAL IDUNA and the City of Dortmund on land belonging to the SIGNAL IDUNA Group.

During the pandemic, BVB has opted not to reduce its employees' working hours and, during the lockdowns, provided job rotation opportunities within its various fields of activity. You can find all you need to know about sustainable development at BVB in our 2020/2021 Sustainability Report, which will be available from 29 October 2021 at <https://verantwortung.bvb.de/en>.*

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



26th match day
20 March 2021
1. FC Köln - BVB 2:2



27th match day
3 April 2021
BVB - Eintracht Frankfurt 1:2

RESULTS OF OPERATIONS

During the reporting period (1 July 2020 to 30 June 2021), Borussia Dortmund generated revenue of EUR 334,171 thousand (previous year: EUR 370,196 thousand), EUR 36,025 thousand less than in the previous year. Net transfer income amounted to EUR 15,401 thousand (previous year: EUR 40,160 thousand).

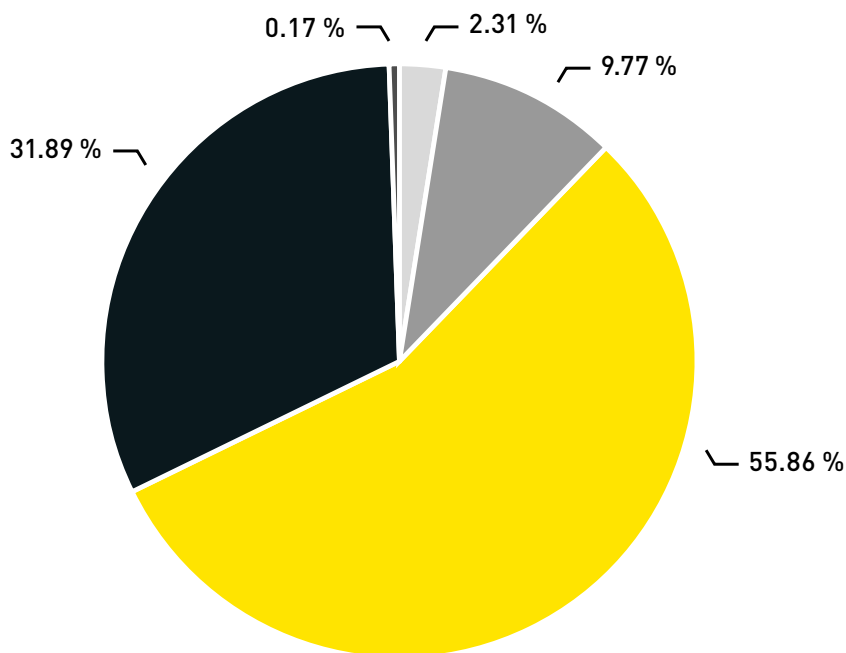
Earnings before taxes amounted to EUR -73,152 thousand (previous year: EUR -46,583 thousand);

the result from operating activities (EBIT) amounted to EUR -72,093 thousand (previous year: EUR -43,138 thousand).

During the current reporting year, the operating result (EBITDA) amounted to EUR 38,950 thousand (previous year: EUR 62,992 thousand).

Borussia Dortmund generated a net loss of EUR 72,810 thousand during the 2020/2021 financial year (previous year: net loss of EUR 43,953 thousand).

Borussia Dortmund Group – Revenue in percent



- Conference, catering, miscellaneous
- TV Marketing
- Match operations
- Merchandising
- Advertising



Quarter final, first leg UCL
 6 April 2021
 Manchester City - BVB 2:1



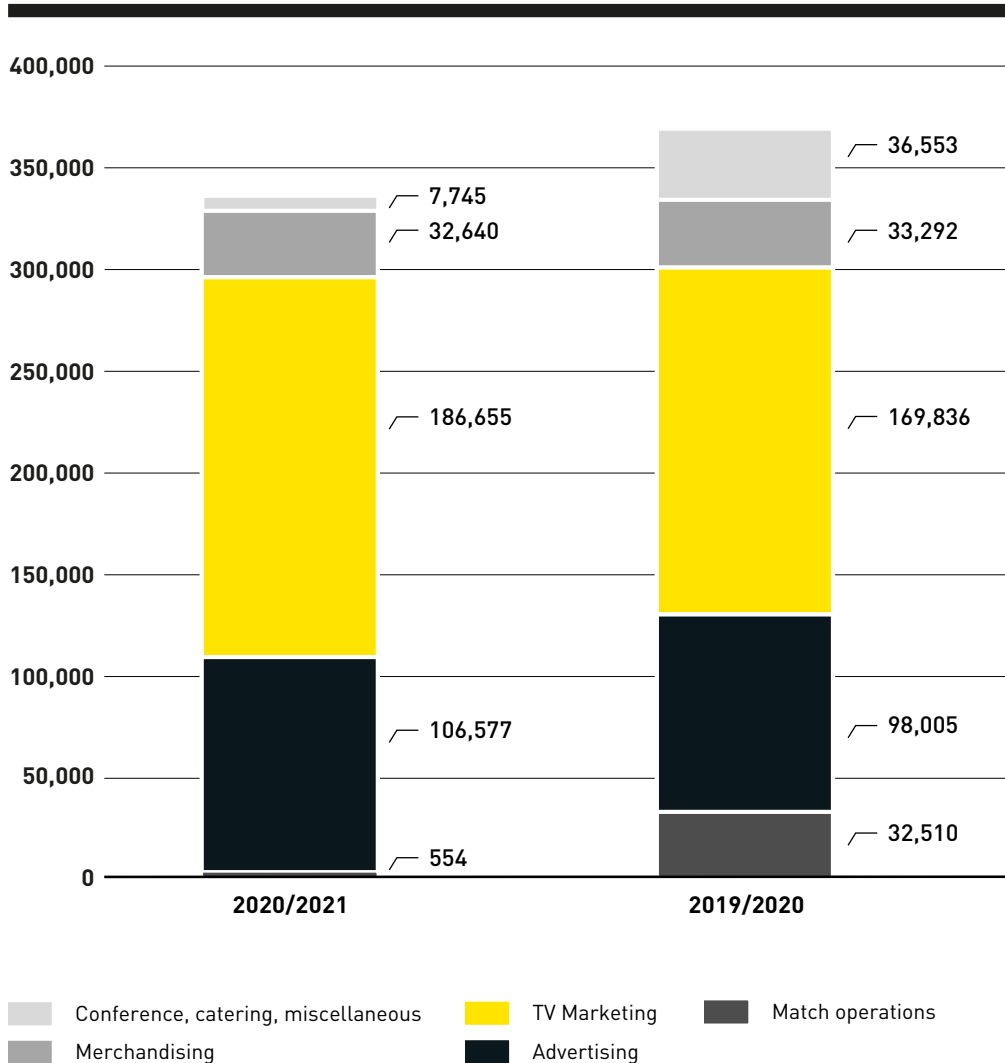
28th match day
 10 April 2021
 VfB Stuttgart - BVB 2:3

REVENUE TREND

Borussia Dortmund generated revenue of EUR 334,171 thousand in the 2020/2021 financial year, representing a decrease of EUR 36,025 thousand or 9.73%. Income from advertising and TV marketing increased year on year despite the

severe restrictions as a result of the COVID-19 pandemic. By contrast, income from match operations, merchandising, and conference, catering and miscellaneous decreased in financial year 2020/2021.

Borussia Dortmund Group – Revenue in EUR '000



Quarter final, second leg UCL
14 April 2021
BVB - Manchester City 1:2



29th match day
18 April 2021
BVB - Werder Bremen 4:1

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

Income from match operations

Income from match operations decreased by EUR 31,956 thousand to EUR 554 thousand in financial year 2020/2021.

Income from match operations for domestic competitions declined by EUR 19,875 thousand to EUR 544 thousand.

While the 2019/2020 season had seen twelve home matches played to almost sell-out crowds at SIGNAL IDUNA PARK, during the 2020/2021 season the national and regional restrictions put in place in response to COVID-19 meant fewer spectators were permitted in stadiums, and then only for the first Bundesliga fixtures. Of the 17 Bundesliga home matches hosted by Borussia Dortmund, only three (against Borussia Mönchengladbach, SC Freiburg and FC Schalke 04) were open to spectators, who were limited in number.

The income from domestic and international cup competitions decreased by EUR 10,648 thousand, and all of these matches were held behind closed doors.

Borussia Dortmund generated income of EUR 9 thousand from friendlies and proceeds generated by the club's other teams in financial year 2020/2021 (previous year: EUR 1,442 thousand). Unlike in previous years, the pandemic prevented the squad from travelling to Asia or the United States for preseason tours.

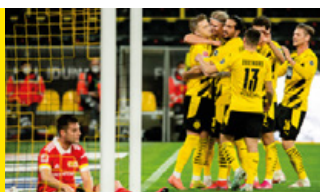
Income from advertising

In the financial year ended, Borussia Dortmund increased its advertising revenue by 8.75% to EUR 106,577 thousand (previous year: EUR 98,005 thousand), representing a share of 31.89% of total revenue.

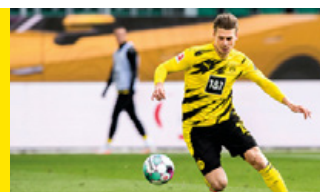
Advertising income increased despite the restrictions on hospitality services and match day advertising due to the COVID-19 pandemic. Borussia Dortmund hosted 24 home matches in the season ended, of which 21 were played behind closed doors due to the COVID-19 pandemic. Against this backdrop, match-day advertising could not be compensated for fully and practically no advertising was shown in hospitality.

The increase was due primarily to the new agreements with the two primary sponsors Evonik Industries AG and 1&1 Telecommunication SE as well as with the equipment supplier Puma SE that were entered into on 1 July 2020. The holder of the stadium's naming rights, SIGNAL IDUNA, the sleeve sponsor, Opel Automobile GmbH, and the ten Champion Partners continue to contribute greatly to income from advertising. Borussia Dortmund also added another sponsor for its youth programmes: adesso SE.

Furthermore, advertising income includes bonuses for the third-place Bundesliga finish, which directly qualified the team for the group stage of the UEFA Champions League in the 2021/2022 season, for reaching the quarter-finals of the UEFA Champions League in financial year



30th match day
21 April 2021
BVB - Union Berlin 2:0



31th match day
24 April 2021
VfL Wolfsburg - BVB 0:2

2020/2021, for competing in the DFL Super Cup at the beginning of the past season, and for reaching the final and winning the DFB Cup.

Income from TV marketing

In financial year 2020/2021, income from TV marketing once again represented the highest share of revenue (55.86%) and increased by EUR 16,819 thousand year on year to EUR 186,655 thousand. TV marketing income from both domestic and international cup competitions rose. The income from TV broadcasts of Bundesliga matches remained virtually unchanged.

Income from domestic TV marketing amounted to EUR 97,826 thousand, up EUR 139 thousand against the prior-year reporting period.

Only 89.83% of the increase in distribution announced prior to the pandemic actually materialised at the end of the financial year. The payouts for the 2020/2021 season were made on the assumption that match operations would continue uninterrupted in 2020/2021, the season would come to an orderly close and the marketing partners would pay the budgeted amounts in full and on time. Since the distribution amount fluctuated in the 2020/2021 reporting period, DFL Deutsche Fußball Liga GmbH was ultimately forced to reduce the income with respect to the planned international TV marketing payouts.

Income from international TV marketing for competing in the UEFA Champions League amounted to EUR 78,698 thousand in the financial

year (previous year: EUR 67,420 thousand). The increase of EUR 11,278 thousand is due to the higher performance bonus, since Borussia Dortmund amassed four wins and one draw in the group stage. In the previous year, Borussia Dortmund only managed three wins and one draw. In addition, Borussia Dortmund reached the quarter-finals of the UEFA Champions League for the first time since 2017, although the team was knocked out of the competition following two defeats to Manchester City.

Unlike in the previous year, Borussia Dortmund failed to win the DFL Super Cup, its first competitive match of the current financial year. Borussia Dortmund reached the final of the DFB Cup, where the team chalked up a resounding victory against RB Leipzig in Berlin. Income from domestic cup competitions thus amounted to EUR 10,131 thousand (previous year: EUR 4,729 thousand).

Merchandising

Income from merchandising decreased by 1.96% to EUR 32,640 thousand in the past 2020/2021 financial year. In the previous year, EUR 33,292 thousand had been recognised for this item. The decrease in this revenue stream was only moderate despite the months-long closure of the fan shop in compliance with the statutory provisions put in place to contain the spread of the COVID-19 pandemic. The highest revenue growth was recorded at the online shop in Germany, which many customers visited as an alternative to making purchases in person.



DFB cup semifinal
1 May 2021
BVB - Holstein Kiel 5:0



32th match day
8 May 2021
BVB - RB Leipzig 3:2

Conference, catering and miscellaneous income

Conference, catering and miscellaneous income amounted to EUR 7,745 thousand (previous year: EUR 36,553 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 the hospitality areas, public catering services and events, decreased by EUR 12,655 thousand from EUR 13,316 thousand in the previous year to EUR 661 thousand. The lack of spectators at 21 of 24 home matches and fewer customers at the first three Bundesliga home fixtures meant that only limited revenue was generated, both in public and hospitality catering. In addition, most private events outside of match operations such as private celebrations, corporate events or trade fairs were cancelled in the past financial year. Where permitted, stadium tours were restricted to a small number of visitors.

In the reporting period from 1 July 2020 to 30 June 2021, advance booking fees, postage and

miscellaneous income, which includes the Evonik Football Academy, rental and lease income and BVB TV, decreased by EUR 9,431 thousand to EUR 3,201 thousand. This was due primarily to the lack of advance booking fees due to the restrictions on spectators imposed in response to the COVID-19 pandemic. As well as the lack of advance booking fees for match day ticket sales, there was a shortfall in advance booking fees for season tickets after Borussia Dortmund decided as in the previous year that it would initially suspend season ticket sales at the end of the season given the inability to predict how the pandemic would develop. Likewise, the Football Academy was prevented from running courses (either national or international) for months. A further reason for the decline in income was the fact that this year's DFL Super Cup was held in Munich. Moreover, unlike in the previous year, no (four-part) documentary series about Borussia Dortmund was marketed in the past financial year.

The release fees for national team players declined by EUR 443 thousand from EUR 2,711 thousand in the previous year to EUR 2,268 thousand.



DFB cup final
13 May 2021
RB Leipzig - BVB 1:4



33th match day
16 May 2021
1. FC Mainz 05 - BVB 1:3

Income from fees for players on loan and training compensation decreased by EUR 6,279 thousand year on year to EUR 1,615 thousand. This mainly related to the loans of the players Leonardo Balerdi to Olympique Marseille, Jeremy Toljan to U.S. Sassuolo and Sergio Gómez to SD Huesca. The players Dženis Burnić, Jeremy Toljan, Ömer Toprak, André Schürrle and Marius Wolf had been loaned out in the previous year.

Net transfer income

Net transfer income declined by EUR 24,759 thousand to EUR 15,401 thousand.

Transfer proceeds amounted to EUR 24,406 thousand (previous year: EUR 116,688 thousand).

This resulted from the transfers of Jeremy Toljan to U.S. Sassuolo, Ömer Toprak to Werder Bremen and Dženis Burnić to 1. FC Heidenheim. Borussia Dortmund also generated subsequent transfer income. Furthermore, Mario Götze left to join PSV Eindhoven on a free transfer.

In the previous financial year, the players Maximilian Philipp transferred to FC Dynamo Moscow, Abdou Diallo to Paris Saint-Germain, Alexander Isak to Real Sociedad, Julian Weigl to Benfica Lisbon, Paco Alcácer to Villarreal CF, Jacob Bruun Larsen to TSG Hoffenheim, Sebastian Rode to Eintracht Frankfurt and Shinji Kagawa to Real Zaragoza. These transfers also generated subsequent transfer proceeds and loan fees.

The residual carrying amounts and transfer costs amounted to EUR 9,005 thousand (previous year: EUR 76,528 thousand).

Other operating income

Other operating income increased by EUR 1,182 thousand year on year to EUR 10,377 thousand. As in the previous year, this included primarily income from provisions, insurance reimbursements, unclaimed refunds, a reimbursement for granting contractual marketing rights, and subsidies. Other operating income includes prior-period income in the amount of EUR 2,608 thousand (previous year: EUR 5,033 thousand).



34th match day
22 May 2021
BVB - Bayer Leverkusen 3:1

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Cost of materials

Cost of materials decreased by EUR 2,803 thousand to EUR 19,589 thousand.

This figure included the cost of goods sold for both BVB Event & Catering GmbH and BVB Merchandising GmbH. The decline is due mainly to BVB Merchandising GmbH's decrease in revenue. BVB Event & Catering GmbH's cost of materials likewise continued to decline due to the prohibition on events imposed during the pandemic.

Personnel expenses

In financial year 2020/2021, personnel expenses amounted to EUR 215,650 thousand (previous year: EUR 215,157 thousand).

Personnel expenses for the professional squad increased by 1.07% year on year. The base salary rose by EUR 2,472 thousand. Performance-based bonuses amounted to EUR 28,742 thousand (previous year: EUR 29,363 thousand) and comprised annual bonuses and performance-based bonuses for winning the DFB Cup, for finishing third place in the Bundesliga with 64 points, for reaching the quarter-finals of the UEFA Champions League and for qualifying directly for the group stage of the 2021/2022 UEFA Champions League.

In the reporting period, personnel expenses related to the retail and administration areas decreased by EUR 612 thousand year on year to EUR 29,325 thousand.

Personnel expenses in relation to amateur and youth football amounted to EUR 11,398 thousand during the current 2020/2021 financial year (previous year: EUR 12,144 thousand).

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs rose by EUR 4,913 thousand to EUR 111,043 thousand in the reporting period.

During the period from 1 July 2020 to 30 June 2021, intangible assets – which consist primarily of Borussia Dortmund's player registrations – were amortised in the amount of EUR 97,440 thousand (previous year: EUR 88,285 thousand).

Furthermore, EUR 4,810 thousand in write-downs of intangible assets to their fair values were recorded (previous year: EUR 3,903 thousand).

Depreciation and write-downs of property, plant and equipment declined from EUR 13,942 thousand to EUR 13,603 thousand.

Other operating expenses

Other operating expenses decreased by EUR 33,250 thousand from EUR 119,010 thousand in the previous year to EUR 85,760 thousand in the reporting period.

Expenses from match operations decreased by EUR 10,255 thousand to EUR 36,956 thousand (previous year: EUR 47,211 thousand). This was due mainly to lower catering and match day expenses, as only three home matches were played for the 2020/2021 season, with severely restricted stadium capacity.

Advertising expenses decreased by EUR 16,281 thousand. Despite the increase in advertising income, the newly signed agency licensing agreement with the marketing firm SPORTFIVE Germany GmbH made it possible to significantly reduce the agency commission payable.

Transfer expenses declined by EUR 450 thousand to EUR 4,204 thousand. These expenses primarily include loan and training compensation.

Administrative expenses decreased during the financial year ended by EUR 2,545 thousand to EUR 22,807 thousand. A slight increase in IT expenses was offset by significantly lower travel, representation and event expenses.

Other expenses decreased by EUR 3,742 thousand to EUR 4,599 thousand. This reduction was caused mainly by lower allowances on receivables and lower losses on disposals of fixed assets as well as lower expenses for office supplies.

Financial result

The financial result for financial year 2020/2021 amounted to EUR -1,059 thousand (previous year: EUR -3,445 thousand) and breaks down as follows:

The investment income amounted to EUR 81 thousand (previous year: EUR -1 thousand).

Interest income amounted to EUR 287 thousand (previous year: EUR 287 thousand) and related primarily to compounding and restatements relating to subsequent measurement in accordance with IFRS 9.

Interest expenses amounted to EUR 1,427 thousand (previous year: EUR 3,731 thousand) and comprised mainly financing charges of EUR 559 thousand and EUR 772 thousand in restatements connected with remeasurements in accordance with IFRS 16.

Tax expense

EUR 342 thousand in tax income (previous year: tax income of EUR 2,630 thousand) was reported under taxes on income in the financial year. This related primarily to trade tax reimbursements received. In the previous year, this item included gains on the recognition of unutilised loss carryforwards.

ANALYSIS OF CAPITAL STRUCTURE

DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

As at 30 June 2021, total assets amounted to EUR 450,519 thousand, representing a decrease of EUR 67,448 thousand as compared to 30 June 2020.

Non-current assets decreased by EUR 51,652 thousand to EUR 389,903 thousand as follows:

The EUR 36,233 thousand decrease in intangible assets is due to additions to player registrations (EUR 58,738 thousand) less disposals and reclassifications of non-current intangible assets

to assets held for sale (EUR 2,341 thousand) and amortisation and write-downs (EUR 92,630 thousand).

Property, plant and equipment increased by EUR 4,465 thousand. The additions were offset by EUR 445 thousand in disposals and EUR 13,603 thousand in depreciation. The additions were attributable mainly to the investments to expand the training ground and in the stadium.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

ASSETS	30/06/2021		30/06/2020	
	EUR '000	in %	EUR '000	in %
Non-current assets				
Intangible assets	193,434	42.9	229,667	44.3
Property, plant and equipment	183,454	40.7	193,037	37.3
Investments accounted for using the equity method	402	0.1	321	0.1
Financial assets	27	0.0	32	0.0
Trade and other financial receivables	10,392	2.3	12,680	2.4
Prepaid expenses	2,094	0.5	5,718	1.1
	389,803	86.5	441,455	85.2
Current assets				
Inventories	6,806	1.5	6,754	1.3
Trade and other financial receivables	29,936	6.7	36,520	7.1
Tax assets	85	0.0	375	0.1
Cash and cash equivalents	1,725	0.4	3,317	0.6
Prepaid expenses	12,708	2.8	9,901	1.9
Assets held for sale	9,456	2.1	19,645	3.8
	60,716	13.5	76,512	14.8
	450,519	100.0	517,967	100.0

Trade receivables and other financial receivables decreased by EUR 8,872 thousand to EUR 40,328 thousand. This is due primarily to net proceeds received from transfers and lower receivables from advertising partners.

Cash and cash equivalents amounted to EUR 1,725 thousand as at the end of the reporting period (previous year: EUR 3,317 thousand).

Assets held for sale declined by EUR 10,189 thousand to EUR 9,456 thousand (previous year: EUR 19,645 thousand).

Inventories remained virtually unchanged at EUR 6,806 thousand (previous year: EUR 6,754).

Prepaid expenses decreased by EUR 817 thousand to EUR 14,802 thousand (previous year: EUR 15,619 thousand).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EQUITY AND LIABILITIES	30/06/2021		30/06/2020	
	EUR '000	in %	EUR '000	in %
Equity				
Subscribed capital	92,000	20.4	92,000	17.8
Reserves	140,750	31.2	213,560	41.2
Treasury shares	-113	0.0	-113	0.0
Equity attributable to the owners of the parent company	232,637	51.6	305,447	59.0
Non-current liabilities				
Lease liabilities	16,819	3.7	20,054	3.9
Trade payables	37,250	8.3	69,627	13.4
Other financial liabilities	208	0.1	0	0.0
Deferred tax liabilities	0	0.0	0	0.0
Deferred income	0	0.0	230	0.0
	54,277	12.1	89,911	17.3
Current liabilities				
Financial liabilities	56,900	12.6	8,031	1.6
Provisions	2,333	0.5	0	0.0
Lease liabilities	4,241	1.0	4,350	0.8
Trade payables	64,103	14.2	67,432	13.0
Other financial liabilities	30,901	6.9	39,115	7.6
Tax liabilities	40	0.0	40	0.0
Deferred income	5,087	1.1	3,641	0.7
	163,605	36.3	122,609	23.7
	450,519	100.0	517,967	100.0

As at 30 June 2021, Borussia Dortmund's equity amounted to EUR 232,637 thousand. This corresponds to an equity ratio of 51.64% (previous year: 58.97%). Subscribed capital remained level at EUR 92,000 thousand.

Changes in current and non-current liabilities were as follows:

Borussia Dortmund reported liabilities of EUR 217,882 thousand as at 30 June 2021 (previous year: EUR 212,520). This represents an increase of EUR 5,362 thousand.

Changes in total current and non-current liabilities were as follows:

Lease liabilities decreased from EUR 24,404 thousand to EUR 21,060 thousand in the reporting period. The repayments of lease liabilities of EUR 4,386 thousand were partly offset by moderate increases relating to the fan shop and vehicle fleet.

Non-current trade payables decreased by EUR 32,377 thousand to EUR 37,250 thousand. Current

trade payables also fell, declining by EUR 3,329 thousand to EUR 64,103 thousand. This was mainly attributable to liabilities for transfer deals that were settled in the financial year.

Other financial liabilities decreased by EUR 8,214 thousand to EUR 30,901 thousand. The decrease was due primarily to paying variable remuneration to the professional squad.

Tax liabilities remained level at EUR 40 thousand.

Deferred income decreased by EUR 1,216 thousand to EUR 5,087 (previous year: EUR 3,871 thousand).

As at the end of the reporting period, Borussia Dortmund reported EUR 56,900 thousand in overdraft facilities, which it had drawn down, under current financial liabilities.

The EUR 2,333 thousand (previous year: EUR 0 thousand) in provisions recognised as at 30 June 2021 included provisions for litigation and liability risks relating to legal proceedings, and was expensed.

ANALYSIS OF CAPITAL EXPENDITURE

In the past financial year, Borussia Dortmund invested EUR 58,738 thousand in intangible assets. The entirety of this amount was invested in the player base.

Cash payments for property, plant and equipment during the same period amounted to EUR 3,414 thousand and primarily include investments in the Brackel training ground in connection with the project to expand BVB's training centre.

The focus of future investments will firstly continue to 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 2022. This involved acquiring further adjacent land and opening a new fitness area. Other steps are currently being implemented.

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

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

ANALYSIS OF LIQUIDITY

As at 30 June 2021, Borussia Dortmund held unrestricted cash funds of EUR 1,725 thousand. Borussia Dortmund also had access to an additional EUR 120,000 thousand in overdraft facilities, of which EUR 56,900 thousand had been

drawn down as at the end of the reporting period.

Cash flows from operating activities amounted to EUR 15,947 thousand (previous year: EUR -362 thousand).

NET ASSETS

Borussia Dortmund's total assets decreased from EUR 517,967 thousand to EUR 450,519 thousand. Fixed assets declined by EUR 45,740 thousand to EUR 377,317 thousand.

Trade receivables and other financial receivables decreased by EUR 8,872 thousand to EUR 40,328 thousand.

Prepaid expenses decreased by EUR 817 thousand to EUR 14,802 thousand.

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT

Borussia Dortmund ended the 2020/2021 financial year with a net loss for the year of EUR 72,810 thousand.

Taking into account the net loss for the year, the equity ratio is calculated at 51.64%. As at 30 June 2021, Borussia Dortmund held unrestricted cash funds of EUR 1,725 thousand. At the end of the reporting period, Borussia Dortmund had access to an additional EUR 120,000 thousand in overdraft facilities, some of which had been drawn down.

The ongoing COVID-19 pandemic continued to weigh heavily on profitability and ultimately earnings in the 2020/2021 season. The effects of the pandemic are particularly clear in match operations and conference, catering and miscellaneous. The transfer business has also taken a major hit. Given this, business development during financial year 2020/2021 was less than satisfactory.

REMUNERATION REPORT

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

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

remuneration. Any additional non-cash or ancillary benefits granted relate primarily to insurance benefits at standard market conditions and the provision of a company car. The Company does not offer any stock option plans or similar incentive plans. The remuneration components provided are reasonable both in and of themselves and taken as a whole (see Note 36 to the consolidated financial statements).

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

The disclosures required by § 285 no. 9 HGB are included in the notes to the consolidated financial statements under Notes 37 and 39.

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 Company-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 26 (previous year: 23) risks that are classified as high priority.

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

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

Categorisation of risks

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

All 61 risks that could have a direct impact on the Company fall within these categories. In comparison with the previous year (62 risks), the total number was reduced by one risk that no longer meets the criterion of materiality.

Three new risks (legal transgressions by professional players, lack of transfers/willingness to transfer, and IT cyber risks) were added to the 23 risks that had been classified as high-priority in the past period. No high-priority risks were removed.

Further to the notes on opportunities and risks in the 2019/2020 Annual Report, the focus during the current reporting period (financial year 2020/2021) was primarily on the persistent impact of the COVID-19 pandemic, which continues to impact almost all risk categories.

The following is a discussion of the 26 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 four 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. It is all the more important for planning projections to be modified on a permanent basis, especially during the COVID-19 pandemic in which the external conditions are changing faster than ever before. 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 or UEFA Europa Conference League, let alone if the team

fails to qualify for any international competition at all. The objective of a corresponding worst case scenario is not to predict the future but rather to provide an overview of various contingencies and their effects and to better assist the management in its strategic planning.

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

Borussia Dortmund considers the third risk in this category to be the risk of conflicting goals of sporting and commercial success. It is important that Borussia Dortmund continues to pursue balanced business policies with the aim of ensuring that the club remains competitive and also focussed on meeting the Group's performance indicators. Borussia Dortmund will continue to

avoid financial risks that could arise on account of uncertain sporting successes. As in previous years, Borussia Dortmund further counters this risk by setting strict budgets for the individual divisions and undertaking corporate planning on a revolving basis using various planning scenarios. Furthermore, the Company also uses planning scenarios to calculate various earnings and liquidity effects potentially presenting additional opportunities for financial investment or shortfalls. It is of fundamental importance to permanently modify the planning projections and to balance the need to remain competitive on the pitch and ensure economic stability and success on the one hand with the corresponding countermeasures that have already been taken to reduce the likelihood of the risk occurring on the other, especially during the COVID-19 pandemic in which the external conditions are changing faster than ever before. The transfer business remains a key action area for Borussia Dortmund and is one of the most important sources of income in the business of football. Achieving high sums for transfers often involves a loss of sporting quality within the squad, but after carefully weighing up all of the athletic and business aspects it is possible that value-driven transfers may also be concluded contrary to the Company's sporting interests.

A new high-priority risk in this category are IT cyber risks, which are closely linked with protecting confidential information. They are generally understood as the risks posed while navigating a digital and interconnected world (cyberspace). In specific terms, on the one hand IT cyber risks involve the possibility of wilful and targeted cyber attacks on data and IT systems. The consequences of these attacks include: compromising data confidentiality (e.g., data losses, data espionage),

loss of system or data integrity (e.g., data corruption by means of malware), compromising IT system or data availability (e.g., internal business interruption, outages in external communications). On the other hand, IT cyber risks arise from the opportunity for large volumes of information to be disseminated widely, cheaply and at breakneck speed (e.g., e-mail campaigns against the Company, calls on social media to boycott the Company) and from social hacking. Borussia Dortmund seeks to counter these IT cyber risks by reducing the risk of occurrence through investments in data security and data protection. That includes expanding the firewall to protect against external attacks and launching Project Security, a general initiative to identify and address potential security vulnerabilities.

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 five high-priority risks:

Protecting confidential information is a subject that remains in the public eye. Never before has data protection posed so many challenges. In particular, the increasing internationalisation of day-to-day business operations necessitates a detailed understanding of the respective data protection regulations applicable in individual countries. In addition, technical progress harbours many pitfalls, especially in relation to online data. Hackers stepped up their attacks in recent years, releasing the personal data of politicians, celebrities and others. Action has to be taken to prevent the unauthorised

access and manipulation of data. Confidential data that is processed, transferred or stored online must be encrypted. The data should remain encrypted and protected even if the online application is compromised. The IT security officers, the heads of the individual application areas and the data protection officers are responsible for initiating the data; the developers and administrators are responsible for implementation. To meet the increased requirements for cyber security and IT in general, action was taken to significantly increase staffing levels in IT.

The risk of periods during which professional players are unable to play (rest periods) can have a major impact on the Company's success, because they mean that team managers are unable to play the best possible team for the entire season, putting sporting goals in jeopardy. The absence of key players in particular is often difficult to compensate for. The reasons for rest periods include personal match bans, injury, excessive stress or a COVID-19 virus infection. The systematic implementation of DFL's hygiene concept minimises the risk that the professional squad and the coaching and support staff will contract the COVID-19 virus. Excessive stress may arise more frequently going forward, particularly since the coming season will in all likelihood see a tight schedule of fixtures due to the 2022 World Cup in Qatar (to be held in the winter) and UEFA's reform of the Champions League, which from the 2024/2025 season onwards will feature ten group matches instead of the previous six. We deliberately ensure that back-ups are available for every position within the squad so that we can absorb the absence of any individual player.

The world of sport has witnessed a number of terrible accidents in recent years. The tragic loss of

human life takes precedence – that goes without saying – but the economic consequences for the businesses involved have also been immense. There thus continues to be a risk of travel and other accidents, terrorist attacks and miscellaneous; therefore, Borussia Dortmund continues to classify this risk as high priority.

The risk of legal transgressions by professional players was newly classified as a high-priority risk this financial year. It covers the risks arising due to misconduct among members of the professional squad, including doping offences, illegal sports betting or inappropriate conduct on social media. The consequences of such misconduct may include match suspensions and reputational damage for players and the club, or legal disputes. The action that Borussia Dortmund takes to mitigate this risk includes systematic education and preventative measures to raise awareness among the professional squad and help them avoid such misconduct.

Another risk newly classified as high priority is the lack of willingness to transfer. The contracts that players negotiate at Borussia Dortmund are incredibly lucrative when looking at other Bundesliga clubs. For players who, for whatever reason, spend more time on the bench than they want, this could nevertheless deter them from accepting transfers.

The ongoing COVID-19 pandemic has caused financial difficulties for many clubs in Germany and around the world. This could increasingly lead to situations in which other clubs are unwilling to meet the salary expectations of players whom Borussia Dortmund intends to transfer, making it difficult for Borussia Dortmund to find a suitable buyer.

Category 3 – macroeconomic risk

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

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

The COVID-19 pandemic and the resulting restrictions on public life as well as the associated massive impact this has had on the global economy, including the football sector, is still being acutely felt in Germany and throughout the world. Aside from the health consequences, the COVID-19 crisis continues to particularly impact Borussia Dortmund's streams of revenue. The functional health and safety protocol ensured the continuation of match operations in the 2020/2021 season and with that the generation of TV marketing income. However, the general ban on spectators in stadiums meant that income from match operations mostly dried up. The COVID-19 restrictions on hospitality services and match day advertising also impacted advertising income. Conference, catering and miscellaneous income was also weighed down due to the lack of both public catering income on match days and events organised by BVB Event & Catering GmbH. The global economic situation remains tense, and this could continue to impact the transfer market. While Borussia Dortmund cannot rule out that transfer proceeds for players will continue to decline (temporarily) in coming transfer windows, it nevertheless still expects opportunities to obtain high transfer proceeds for players in individual cases.

The downturn in proceeds caused by the COVID-19 pandemic has impacted not only individual revenue streams but also the Group's liquidity. The financial and liquidity planning apparatus that has been in place at Borussia Dortmund for many years

considers a variety of scenarios and different premises, and is regularly adjusted to account for current conditions, so that any liquidity bottlenecks can be identified early and appropriate countermeasures designed to secure liquidity can be initiated. This includes the extension of the existing overdraft facility.

Borussia Dortmund considers this confirmation that it made the right choice in the previous financial year to establish the outbreak of epidemics/pandemics as a stand-alone and overarching individual risk so as to account for the consequences of the COVID-19 pandemic. Furthermore, this individual risk impacts almost all other existing risks.

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

The Hamburg Institute of International Economics (HWWI) has updated its forecast for economic development in Germany. Following another economic slowdown on the back of the second lockdown imposed in the winter of 2020/2021, the recovery interrupted in the autumn of 2020 now looks to be continuing thanks to progress in vaccinations and the lifting of restrictions. After economic output contracted by 4.8% in the previous year, growth of 3% is expected for both 2021 and 2022. An improvement is also emerging on the labour market, initially driven by a reduction in partial furloughs (*Kurzarbeit*).

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, anti-Semitism and hate speech and to ensure that the lessons of the past are never forgotten, Borussia Dortmund will continue to fulfil its social responsibility by ensuring that the atmosphere in and outside the stadium is welcoming, cosmopolitan and diverse.

The increased willingness of certain individuals to commit violence and defame and insult others at stadiums is a risk that will continue to require the utmost attention. Fan violence continued to plague football in the reporting period, even if the 2020/2021 season was mostly played behind closed doors. Prevention efforts and security plans put in place in the previous season ensured that potentially violent groups were identified in advance, helping to prevent altercations to the greatest extent possible. Borussia Dortmund will continue to counter this risk with enhanced security checks, camera surveillance, stadium bans and criminal complaints. Additional stadium safety measures will continue to include specific structural changes to entrances going forward. Furthermore, Borussia Dortmund and other clubs from North Rhine-Westphalia signed up to "*Stadionallianz gegen Gewalt*" in the reporting period, a joint initiative with the police to more rapidly identify and isolate perpetrators, and bring them to justice.

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

resolved that SV Werder Bremen could defer a partial amount of 50% until a final ruling on the legal dispute was issued by the Federal Constitutional Court, and to reject a fund model of any kind.

Passing these costs on to the Bundesliga clubs would present an earnings and liquidity risk for those clubs, Borussia Dortmund included.

The categorisation of social media activities as a high-priority risk reflects the fact that new technologies not only have potential for development, but also harbour risk potential.

Social media is no longer used solely for communicating with fans and followers, but increasingly also serves as an advertising platform for marketing and sponsoring-related activities. Borussia Dortmund has vastly expanded its digital presence, among other things due to the restrictions placed on direct contact with fans as a result of the ongoing COVID-19 pandemic.

In order to safeguard the Company's image and prevent the unauthorised disclosure of internal information, all Borussia Dortmund employees must adhere to the Company's social media guidelines.

Category 4 – competitive risk

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

This category includes seven high-priority risks:

Interruptions to match operations can have immense economic ramifications because nearly all of Borussia Dortmund's streams of revenue are dependent on or influenced by match operations. The ongoing COVID-19 pandemic has underscored how economically dependent the club is on a

trouble-free season. The 2020/2021 season was completed without major scheduling issues thanks to the systematic implementation of DFL's health and safety protocol – even if the majority of matches were played behind closed doors.

The second risk classified as high-priority in this category is the change in income from TV marketing. After DFL Deutsche Fußball Liga's auctions for TV rights led to a steady rise in income from TV marketing in recent years, the COVID-19 crisis meant that the auction for the 2021/2022 to 2024/2025 seasons did not bring as much income for the clubs of the first and second Bundesliga divisions as in previous rights periods; in total, EUR 4.4 billion will be distributed in the coming four years. Future instalments of TV marketing income to be paid by DFL Deutsche Fußball Liga to the clubs will continue to depend on maintaining match operations. The functional health and safety protocol for the 2020/2021 season has shown that it is possible to see a season through to a trouble-free conclusion despite the COVID-19 pandemic.

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 now very lucrative distributions available from UEFA and the international prestige derived from taking part in

UEFA competitions underscore the importance of both qualifying and obtaining the requisite licences for international club competitions. To minimise this risk therefore, compliance with the relevant requirements and target/actual comparisons are constantly reviewed. Several European clubs have already been disciplined and banned from international competitions for violating Financial Fair Play rules. In the wake of the COVID-19 crisis, UEFA is currently consulting on potential reforms to its Financial Fair Play guidelines, which will likely be resolved at the end of 2021.

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, the roster should be planned so that any unexpected departures do not leave holes that would need to be filled at short notice with players of equal quality. In an attempt to mitigate the sporting consequences of key players switching clubs, Borussia Dortmund plans its roster well in advance, including by binding players to long-term contracts, uses its high transfer proceeds to reinvest in the squad and employs a wide network of scouts.

The further risk in this category is the risk of a potential stadium catastrophe. Stadium catastrophes can include fire, stampedes, potential terrorist attacks or other acts of violence. Going forward, the Company will continue to regularly assess the quality and reliability of security staff and specifically train them in the prevention of catastrophes. Structural improvements to SIGNAL IDUNA PARK for the purposes of enhancing

security, safeguarding and monitoring the access roads, and safeguarding the property during visits on non-match days are just some of the countermeasures currently being implemented by the club's Security department to provide security at the stadium.

Borussia Dortmund uses the summer break each year to invest in SIGNAL IDUNA PARK as well as for construction work and refurbishments. The stadium has been expanded three times since opening in 1974 with a capacity of 54,000. The continual repair and maintenance work – the paramount focus of which is always structural integrity and safety – ensures that the stadium meets the latest standards in terms of safety, security and comfort. Compared to many other Bundesliga stadiums that were constructed for the 2006 World Cup, SIGNAL IDUNA PARK is one of the Bundesliga's oldest stadiums in use. Given that Borussia Dortmund regularly invests large sums in SIGNAL IDUNA PARK and in light of the increasing requirements applicable to stadiums, including with respect to spectator safety, the club has classified capital expenditures needed for SIGNAL IDUNA PARK as a high-priority risk. The ongoing COVID-19 pandemic and the associated economic consequences mean that only essential investments are currently being made in the stadium.

The risk of consequential damage arising from mining, which also affects SIGNAL IDUNA PARK, represents another high-priority risk. Coal mining has ceased in Germany. While the memories remain, so do the pitfalls, because the effects of mining never fully disappear. Hardly any other federal state is faced with as many sinkholes as North Rhine-Westphalia. The state has some 60,000 abandoned mining shafts and tunnels. The exact

number is not known because mining in the region dates back to the Middle Ages. Only half of all pits and tunnels have been recorded.

Borussia Dortmund uses the properties adjacent to SIGNAL IDUNA PARK for car parks or to store products and equipment needed for match operations. The southwest container and logistics area is located on land with uncertain topography, which is why sinkholes and similar subsidence cannot be ruled out. An additional expert opinion has been obtained, which states that there is merely a risk of the subsoil subsiding, not of collapse. This will likely result in lower costs being incurred in the course of the survey and reinforcement, since it may be that geogrids will no longer be necessary and fill dirt will instead be compressed into the ground to achieve the requisite stability. The construction work is already underway and will likely be completed in the summer of 2021.

Category 5 – liquidity risk

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

This category includes four high-priority risks:

The loss of significant financial backers and sponsors due to insolvency could also have a material adverse effect on Borussia Dortmund's liquidity in the future. Attention continues to be placed on the potential loss of significant financial backers and sponsors and the introduction of corresponding countermeasures precisely because of the ongoing COVID-19 crisis and the associated adverse economic consequences for the German and global economy. Borussia Dortmund continuously revises its longstanding accounts receivable management system in line with the prevailing conditions and increasing globalisation. The club also reviewed and implemented other risk

mitigation measures such as introducing upfront payments or changing payment terms. Borussia Dortmund is also in close contact with its customers and partners and its sponsoring marketing firm SPORTFIVE Germany GmbH, and is maintaining a close and trusting relationship with them. This is also evident from the individual solutions that Borussia Dortmund has found with its partners to compensate for cancelled (hospitality) services. The majority of (hospitality) services that Borussia Dortmund was unable to render due to the ongoing COVID-19 pandemic were compensated for by means of other (advertising) services, meaning that Borussia Dortmund's partners have asserted practically no compensation claims.

The fact that new agreements have been entered into with partners despite the ongoing pandemic suggests that there will be no major decline in the willingness of potential sponsors to seek out new opportunities once the crisis is over.

Due to the ongoing COVID-19 crisis, the risk of bad debts due to insolvency remains classified as a high-priority risk.

The COVID-19 crisis has caused one of the worst economic downturns for Germany and the world in the post-war period. The ongoing pandemic will continue to impact the solvency of companies and football clubs alike. Borussia Dortmund anticipates that problems could arise with regard to transfer receivables. The primary objective continues to be keeping bad debts to a minimum and to ensure that the Company has the liquidity it needs at all times. That is why it is all the more important to follow through on the action already taken, such as conducting credit checks on foreign businesses or changing the general contractual framework to include high up-front payments. Dunning procedures are likewise particularly vital.

Furthermore, additional action was taken to ensure liquidity and counter any potential bad debts.

Borussia Dortmund places utmost importance on maintaining its liquidity and, after assessing its risks during the ongoing COVID-19 pandemic, therefore continues to classify the risk associated with this as high priority. The financial and liquidity planning apparatus that has been in place for many years considers a variety of scenarios and different premises, and is regularly adjusted to account for current conditions. The scenarios calculated covered in particular different levels of success achieved by the team and various external conditions attributable to COVID-19 in order to identify any liquidity bottlenecks early and to initiate appropriate countermeasures designed to secure liquidity. They included extending the existing EUR 60,000 thousand overdraft facility by EUR 60,000 thousand to EUR 120,000 thousand.

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

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

OPPORTUNITIES

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

Borussia Dortmund's approach to its squad is one of continuity, but it also has an eye to creating new momentum and structures in its personnel choices. In December 2020, Borussia Dortmund parted ways with Lucien Favre, its head coach of two-and-a-half years. His erstwhile assistant coach Edin Terzic then led the team to victory in the DFB Cup and qualification for the UEFA Champions League. From the 2021/2022 season, Marco Rose from Bundesliga rivals Borussia Mönchengladbach will take over as the new head coach at Borussia Dortmund. Marco Rose is a team player, and the club wants him to guide Borussia Dortmund back to playing its trademark modern, attacking and up-front style of football.

Edin Terzic has extended his contract through to 30 June 2025 and will be filling the newly created position of technical director. Going forward, he will play a permanent part in planning the roster, win over promising players for Borussia Dortmund, act as a go-between for the Youth Academy, support players on loan, and report directly to the sporting management, Michael Zorc and Sebastian Kehl. Borussia Dortmund looks forward to the momentum this will create.

The contract with head of the professional squad Sebastian Kehl was extended early until 30 June 2025. He will take over from Michael Zorc as sporting director from 1 July 2022. Borussia Dortmund also extended the contract with its youth academy coordinator Lars Ricken early until 30 June 2025. This long-term focus at level of

sporting management offers Borussia Dortmund a solid basis for planning and gives those in positions of responsibility the opportunity to keep building on the strong and trusting relationships they already enjoy and to unlock the potential for improvement that is there to see.

The team coalesced and found its strength in the final third of the 2020/2021 season and delivered consistent and solid performances to qualify for the UEFA Champions League and win the DFB Cup. The team has truly enormous potential, and the challenge now is to tap into this over the entire season. By signing Gregor Kobel, Borussia Dortmund has gained a communicative and vocal goalkeeper who never failed to put in a strong performance in the past Bundesliga season, whether in goal, in the penalty box or in passing play. He will further stabilise the team's defence. The healthy mix of grit, leadership and young ambition in the squad as well as consistency in its management is expected to help the team unlock its full potential and achieve the greatest possible success on the pitch.

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

Borussia Dortmund sees further potential in its youth setup, where it lays the foundation for its sporting success. To this end, the club added new offices for the sports management team at the Brackel training ground. This investment will help to further consolidate all the areas under the direction of the Sports department. Borussia Dortmund hopes the direct proximity to the training ground will help it work with greater efficiency and purpose and further optimise its

pipeline of talented youngsters for the senior team. In the past season, Yousseoufa Moukoko, Ansgar Knauff and Steffen Tigges, another three of the club's youth standouts, made the jump to the senior side and helped the team with their youthful exuberance. Other talented youngsters are also set to make the senior team.

Borussia Dortmund maintains close and longstanding partnerships with its sponsors. During times of crises, this continuity was also a reflection of the close and trusting relationships. This is also evident from the individual solutions that Borussia Dortmund has found with its partners to compensate for cancelled (hospitality) services. The majority of (hospitality) services that Borussia Dortmund was unable to render due to the ongoing COVID-19 pandemic were compensated for by means of other (advertising) services, meaning that Borussia Dortmund's partners have asserted practically no compensation claims. These good relationships built on trust and the solidarity displayed during crises also provide planning security.

Borussia Dortmund also believes it has good opportunities to adequately replace sponsoring

agreements that are set to expire by leveraging its appeal to sign lucrative new contracts.

For Borussia Dortmund, the potential return of at least some spectators to SIGNAL IDUNA PARK in the 2021/2022 season is a massive opportunity, in particular to interact directly with fans. Since personal contact has been severely restricted during the ongoing COVID-19 pandemic, communicating digitally with fans continues to be more important than ever. New digital formats were and will be created for this reason. This increased focus on digital communications affords us the opportunity to strengthen the bonds our fans have with the club despite not being able to attend matches, and to grow Borussia Dortmund's fan base. This includes the 2021 Virtual Summer Tour, with Borussia Dortmund making virtual stops in nine countries across three continents between 10 and 18 July 2021 to bring the club even closer to and connect with its international fan communities and partners and give all fans (not just) from the nine participating countries the chance to immerse themselves in the world of Borussia Dortmund.

OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES

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

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

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

REPORT ON EXPECTED DEVELOPMENTS

EXPECTED DEVELOPMENT OF THE COMPANY

Borussia Dortmund finished the 2020/2021 season in third place with 64 points, qualifying directly for the lucrative group stage of the UEFA Champions League in the coming season. Borussia Dortmund has thus qualified for an international cup competition for the twelfth time in a row since the 2010/2011 season.

As reigning DFB Cup champions, Borussia Dortmund will face FC Bayern Munich in this year's DFL Super Cup at SIGNAL IDUNA PARK on 17 August 2021.

EXPECTED GENERAL ECONOMIC ENVIRONMENT

The expected general economic environment is dominated by the ongoing COVID-19 pandemic. The strains of the coronavirus already rampant, in particular the delta variant, are hindering efforts to overcome the pandemic. Despite low infection rates, progress in vaccinating the population and decisions to roll back restrictions, the pandemic remains ever-present in Germany and around the world. Professional football has been heavily impacted too, and must continue to play its part to overcome the crisis.

DFL Deutsche Fußball Liga GmbH has published its fixture calendar for the 2021/2022 season. The new Bundesliga season will begin in mid-August 2021, and Borussia Dortmund will make its début at home to Eintracht Frankfurt.

Income from match operations are directly tied to allowing spectators to visit SIGNAL IDUNA PARK. At the beginning of July 2021, Germany's federal states decided to permit a partial return of fans to stadiums in time for the new season. The resolution, which is initially in force until 11 September 2021, permits stadiums to operate at maximum 50% capacity, with the total number of spectators initially capped at 25,000. Approval from the competent authorities is required as a

basic prerequisite for spectators to return. This will take into account infection rates, which must not exceed 35 cases per 100,000 residents. At anything above this, a maximum of 5,000 spectators will be permitted. Those who have not been vaccinated or have not recovered from COVID-19 must show a negative test result. In addition, the health and safety protocols and social distancing will remain in place.

Even if these new rules are an improvement on the previous season, the partial return of fans to the terraces is closely linked to low infection rates. Thus, although higher income is expected than in the previous year, it will still be a lot lower and plagued by far more uncertainties than before the pandemic.

Commercially successful professional football operations are no longer limited to just regional or national levels. The team's success in these competitions is very much a focus in all plans. Qualifying for the group stage of the UEFA Champions League continues to place Borussia Dortmund in a better financial position. Playing and delivering positive performances in the competition not only generates income, it can also widen the club's media and brand coverage, which promotes the club's interaction with existing fans and

encourages others to begin following Borussia Dortmund. The club intends to promote these effects with a progressive internationalisation strategy that is regularly tailored to current trends. In light of this, Borussia Dortmund aims to further expand and professionalise its digital presence. Borussia Dortmund thereby responds to social trends and to a large degree leverages the attractiveness of the Borussia Dortmund brand. The growing international awareness of the brand that this gives rise to allows the club to tap foreign markets. This includes the 2021 Virtual Summer Tour, with Borussia Dortmund making virtual stops in nine countries across three continents between 10 and 18 July 2021 to bring the club even closer to and connect with its international fan communities and partners and give all fans (not just) from the nine participating countries the chance to immerse themselves in the world of Borussia Dortmund.

Since the 2020/2021 season, Borussia Dortmund has had two different kit sponsors. The team wears kits bearing the logo of Evonik Industries AG in all international club competitions, friendlies staged abroad and DFB Cup matches, while 1&1 Telecommunication SE is the kit sponsor for Bundesliga matches. This one-of-a-kind sponsorship model was developed as part of the internationalisation strategy and promises further revenue potential going forward, since it allows the club and its respective partners to target specific markets.

In the 2021/2022 season, Borussia Dortmund once again marketed its virtual advertising boards. SIGNAL IDUNA PARK's advertising boards can be digitally overlaid in the broadcast signal to target the respective TV audiences when broadcasting matches abroad. For Borussia Dortmund's international partners in particular, this is an

attractive and increasingly popular way to reach their customers worldwide.

Despite the ongoing COVID-19 pandemic and the ensuing economic declines, professional football, particularly in Germany, has not lost any of its allure. Borussia Dortmund also maintains close and longstanding partnerships with its sponsors. Borussia Dortmund remains just as appealing as ever. As such, Borussia Dortmund will also operate in a demanding market and competitive environment in the coming season.

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

DFL Deutsche Fußball Liga GmbH has informed the clubs of the first and second Bundesliga divisions about the expected distribution volume for the 2021/2022 season. The announced disbursements of the TV funds will allow for a good degree of planning. However, these plans may change at any time due to the ongoing COVID-19 pandemic. The amount and timing of the disbursements depends in particular on partners making due contractual payments and the 2021/2022 season being seen through to a trouble-free conclusion.

Despite the massive impact of the COVID-19 pandemic, DFL Deutsche Fußball Liga GmbH sold the German media rights for the 2021/2022 to 2024/2025 seasons for an average of approximately EUR 1.1 billion per year, with the individual disbursements increasing from season to season. This corresponds to total income of EUR 4.4 billion, exceeding the billion-euro mark once more and continuing the high revenue level seen in previous years. Sky Germany secured the rights to all live broadcasts on Saturdays, while DAZN will broadcast matches on Fridays and

Sundays. Football will also return to free-to-air TV after a 17-year hiatus, with ProSieben/Sat1 acquiring the broadcasting rights to a total of nine live matches. Even though the agreement fell somewhat short of expectations with a decline in volume of around 5%, in these uncertain times it represents the best possible degree of stability and an excellent economic foundation for the coming seasons.

The COVID-19 pandemic is also affecting international TV marketing from UEFA competitions. To alleviate the financial impact of the pandemic on the clubs, the income shortfall will be spread over five seasons (from the 2019/2020 to the 2023/2024 season), which will stretch the adverse effects out over a longer period. In specific terms, UEFA will make the deductions before distributing funds to the clubs. The planned distributions nevertheless remain highly attractive.

Stadium marketing is subject to compliance with social distancing and health and safety protocols, but this does enable stadium tours to be offered. External events can likewise be held in the hospitality areas, albeit with restricted guest numbers. Under the appropriate conditions, football training courses can also be offered. The likely restrictions on selling alcoholic beverages and the limited stadium capacities at home matches will weigh on the profitability of public catering.

This revenue stream therefore also remains affected, since it is dictated by political decisions and official stipulations.

Transfer deals are an important part of Borussia Dortmund's business and, as in previous years, represent a significant source of income. However, in view of the developments in the economic

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

The COVID-19 pandemic continues to affect transfers. Based on last year's summer transfer window, it can be assumed that the economic uncertainty and decline in income experienced by clubs around the world will continue to temporarily reduce the transfer fees received for players. The summer transfer window is now back to normal and will last from 1 July to 31 August 2021.

Despite the expected potential losses and the uncertainty as the situation continues to unfold, the European leagues remain attractive for talented young players. Besides that, Borussia Dortmund has an excellent team. An active transfer market can be expected all the same in the summer of 2021, with some very lucrative deals in the pipeline. A notable example is the transfer of Jadon Sancho to Manchester United in July 2021.

Overall assessment of expected performance

The COVID-19 crisis continues to overshadow the economic activities of German companies, forcing them to confront the major challenge of having to operate in a highly uncertain environment. Borussia Dortmund also expects to face significant economic restrictions in the coming period. Even if infection rates in Germany are currently at a stable low level and progress is being made in the vaccination campaign, there remains an ever-present risk that infections will flare up and tougher restrictions will be imposed to control

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

EXPECTED RESULTS OF OPERATIONS

Expected earnings trend

The ongoing COVID-19 pandemic continues to pose major challenges for Germany and the world. The number one priority is containing the spread of the COVID-19 virus in all facets of life. Professional football must also play its part in overcoming the crisis. Borussia Dortmund GmbH & Co. KGaA also remains heavily affected. Therefore, the expectation is of further severe adverse effects on the earnings trend in financial year 2021/2022.

The projection is that matches will be played to limited spectator numbers in the first half of the new season, with the second half seeing a return to full capacity. As a result of the measures to contain the pandemic, only a limited number of tickets will initially be made available per match, which will continue to weigh heavily on income from match operations and public catering.

Despite the economic uncertainties and a more subdued transfer market, Borussia Dortmund expects there to be some very lucrative transfer deals in the offing, setting up net transfer income as a significant earnings driver.

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

In light of the high degree of uncertainty related to all streams of revenue, the management currently expects to generate a net loss of between EUR 12,000 thousand and EUR 17,000 thousand in the coming 2021/2022 financial year.

In this planning scenario, the result from operating activities (EBIT) will exceed the forecast net loss for the year by the financial result and tax expense of approximately EUR 2,000 thousand. The operating result (EBITDA) would be around EUR 107,000 thousand higher than the result from operating activities (EBIT) due to depreciation and amortisation and would probably amount to between EUR 88,000 thousand and EUR 93,000 thousand.

Expected revenue trend and consolidated total operating proceeds

In the past financial year, Borussia Dortmund generated revenue of EUR 334,171 thousand and consolidated total operating proceeds of EUR 358,577 thousand. Revenue is expected to increase to approximately EUR 374,000 thousand in the coming reporting period, due primarily to higher income from advertising, match operations and conference, catering and miscellaneous. Borussia Dortmund forecasts consolidated total operating proceeds of approximately EUR 484,000 thousand on the back of a likely rise in transfer fees. The COVID-19 pandemic will continue to affect almost all of the revenue streams of Borussia Dortmund GmbH & Co. KGaA and its subsidiaries.

Expected trend for significant operating expenses

Cost management continues to be Borussia Dortmund's highest priority. Operating cost-effectively makes a material contribution to earnings, and Borussia Dortmund is unwavering in its efforts to achieve further optimisation.

Personnel expenses account for approximately half of all operating expenditure. Portions of these personnel expenses are also dependent upon the club's sporting success, because the professional squad is compensated on the basis of its performance, meaning that these expenditures are always commensurate with the club's success, which itself is a source of income.

The other operating expenses are also partly dependent on the number of matches and the club's success on the pitch. Any efforts at cost optimisation aside, there may therefore be an increase in operating expenses that goes hand-in-hand with a material increase in income and corresponding contribution to earnings.

EXPECTED DIVIDENDS

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

to propose to the Annual General Meeting any dividend distribution for financial year 2020/2021.

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.

Due to the adverse economic consequences of the ongoing COVID-19 pandemic, Borussia Dortmund is currently pursuing a rather passive transfer policy and is focusing on sensible ways to reinvest transfer fees already received. Even non-essential investments in SIGNAL IDUNA PARK are being postponed until further notice.

In order to mitigate and avoid financial risk, Borussia Dortmund in principle pursues a conservative and extremely prudent capital expenditure strategy and will not count on any uncertain sporting successes.

Expected liquidity trend

Due to the assumptions made, Borussia Dortmund expects cash flows from operating activities in financial year 2021/2022 to amount to approximately EUR 30,000 thousand. This figure is subject to change due in particular to transfer deals or if actual events differ from the forward-looking statements in the forecast concerning the club's sporting success or on account of the effects of the COVID-19 pandemic. Free cash flow is expected to amount to approximately EUR -26,000 thousand.

OVERALL ASSESSMENT OF EXPECTED PERFORMANCE

The consequences of the COVID-19 pandemic will continue to have adverse effects in the coming 2021/2022 financial year. Due to the positive results of operations in the financial years prior to the COVID-19 pandemic, stable equity of EUR 232,637 thousand (which corresponds to an equity ratio of approximately 51.64%) as at 30 June 2021 despite

the consolidated net loss for the year, and the Company's long-term focus, Borussia Dortmund considers itself prepared to handle the still uncertain economic situation. The management is continuously reassessing the situation as it pertains to the COVID-19 pandemic.

OTHER DISCLOSURES

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

REPORT IN ACCORDANCE WITH § 315A (1) HGB IN THE VERSION PURSUANT TO ARTICLE 83 (1) SENTENCE 2 EGHGB

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 2021, 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 2021:

- 1) Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 14.88% of the voting rights (of which 5.53% held directly and 9.35% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to § 22 (2) and henceforth § 34 (2) WpHG)
- 2) Bernd Geske, Meerbusch, Germany: 14.88% of the voting rights (of which 9.35% held directly and 5.53% held indirectly by including the voting rights of Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany, pursuant to § 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 (4) AktG) –, the ordinary or simplified reduction of share capital (§ 222 (1) sentence 2 and § 229 (3) AktG) or a change of legal form (§ 233 (2) and § 240 (1) of the German Reorganisation and Transformation Act [Umwandlungsgesetz, "UmwG"]). In addition, capital increases, other changes to the Articles of Association and other decisions of a fundamental nature may only be resolved with the approval of the general partner in accordance with § 285 (2) sentence 1 of the AktG. The Supervisory Board is authorised in accordance with Article 12 No. 5 of the Articles of Association to resolve changes to the Articles of Association which relate only to the wording thereof, in particular in connection with the amount of capital increases from authorised and conditional capital.

7. By virtue of the resolution by the Annual General Meeting on 19 November 2020, the general partner is authorised until 18 November 2025, with the approval of the Supervisory Board, to increase the share capital by a maximum of EUR 18,400,000 in total by issuing new no-par value ordinary bearer shares against cash contributions on one or more occasions (Authorised Capital 2020). The previous Authorised Capital 2014 of EUR 23,000,000 had been subject to an authorisation valid until 23 November 2019. This was not utilised and as such the authorised capital expired on 23 November 2019.
8. The Company is not a party to any material agreements which are conditional on a change of control following a takeover bid for the issued shares of Borussia Dortmund GmbH & Co. KGaA.
9. The Company is not a party to any compensation agreements that would apply in the event of a takeover bid.

STATEMENT BY THE GENERAL PARTNER ON RELATIONS WITH AFFILIATED COMPANIES

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

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

DISCLAIMER

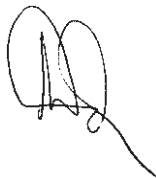
This Group management report contains forward-looking statements. Such statements are based on current estimates and are by nature

subject to risks and uncertainties. Actual results may differ from the statements made in this report.

Dortmund, 9 August 2021

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

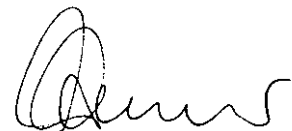
Borussia Dortmund Geschäftsführungs-GmbH



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



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EUR '000	Note	30/06/2021	30/06/2020
ASSETS			
Non-current assets			
Intangible assets	(1)	193,434	229,667
Property, plant and equipment	(2)	183,454	193,037
Investments accounted for using the equity method	(3)	402	321
Financial assets	(4)	27	32
Trade and other financial receivables	(5)	10,392	12,680
Prepaid expenses	(15)	2,094	5,718
		389,803	441,455
Current assets			
Inventories	(6)	6,806	6,754
Trade and other financial receivables	(5)	29,936	36,520
Tax assets		85	375
Cash and cash equivalents	(7)	1,725	3,317
Prepaid expenses	(15)	12,708	9,901
Assets held for sale	(8)	9,456	19,645
		60,716	76,512
		450,519	517,967
EQUITY AND LIABILITIES			
Equity			
	(9)		
Subscribed capital		92,000	92,000
Reserves		140,750	213,560
Treasury shares		-113	-113
Equity attributable to the owners of the parent company		232,637	305,447
Non-current liabilities			
Lease liabilities	(12)	16,819	20,054
Trade payables	(13)	37,250	69,627
Other financial liabilities	(14)	208	0
Deferred income	(15)	0	230
		54,277	89,911
Current liabilities			
Financial liabilities	(11)	56,900	8,031
Provisions	(10)	2,333	0
Lease liabilities	(12)	4,241	4,350
Trade payables	(13)	64,103	67,432
Other financial liabilities	(14)	30,901	39,115
Tax liabilities		40	40
Deferred income	(15)	5,087	3,641
		163,605	122,609
		450,519	517,967

The relevant sections in the notes to the consolidated statement of financial position can be found on the following pages:

(1) – p. 197 | (2) – p. 198 | (3) (4) – p. 200 | (5) – p. 201 | (6) (7) (8) – p. 202 | (9) – p. 203 | (10) (11) – p. 204
(12) (13) (14) – p. 205 | (15) – p. 206

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

EUR '000	Note	2020/2021	2019/2020
Revenue	(16)	334,171	370,196
Net transfer income	(17)	15,401	40,160
Other operating income	(18)	10,377	9,195
Cost of materials	(19)	-19,589	-22,392
Personnel expenses	(20)	-215,650	-215,157
Depreciation, amortisation and write-downs	(21)	-111,043	-106,130
Other operating expenses	(22)	-85,760	-119,010
Result from operating activities		-72,093	-43,138
Net income/loss from investments in associates	(3)	81	-1
Finance income	(23)	287	287
Finance costs	(23)	-1,427	-3,731
Financial result		-1,059	-3,445
Profit before income taxes		-73,152	-46,583
Income taxes	(24)	342	2,630
Consolidated net loss for the year		-72,810	-43,953
Items that were subsequently reclassified to profit or loss		0	0
Total comprehensive income		-72,810	-43,953
Consolidated net loss for the year attributable to:			
- Owners of the parent:		-72,810	-43,953
Total comprehensive income attributable to:			
- Owners of the parent:		-72,810	-43,953
Earnings per share (in EUR) (basic/diluted)	(32)	-0.79	-0.48

The relevant sections in the notes to the consolidated statement of financial position can be found on the following pages:

(3) – p. 200 | (16) (17) (18) (19) – p. 207 | (20) (21) (22) – p. 208 | (23) (24) – p. 209 | (32) – p. 218

CONSOLIDATED STATEMENT OF CASH FLOWS

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

EUR '000	Note	2020/2021	2019/2020
Profit before income taxes		-73,152	-46,583
Depreciation, amortisation and write-downs of non-current assets	(21)	111,043	106,130
Gain/loss on disposals of non-current assets		-16,242	-45,692
Other non-cash expenses/income		286	-4,118
Transfer costs		1,286	7,488
Interest income	(23)	-287	-287
Interest expense	(23)	1,427	3,731
Net income/loss from investments in associates	(23)	-81	1
Changes in other assets not classified as from investing or financing activities		-95	807
Changes in other liabilities not classified as from investing or financing activities		-6,811	-18,818
Interest paid		-1,427	-3,326
Income taxes		0	305
Cash flows from operating activities		15,947	-362
Payments for investments in intangible assets		-88,314	-152,736
Net proceeds from transfers		29,699	108,090
Payments for investments in property, plant and equipment		-3,414	-6,205
Proceeds from disposals of property plant and equipment		1	62
Proceeds from financial assets		5	20
Dividends received		1	0
Cash flows from investing activities		-62,022	-50,769
Proceeds from finance raised		56,900	0
Dividend payments	(9)	0	-5,519
Repayment of lease liabilities		-4,386	-3,929
Cash flows from financing activities		52,514	-9,448
Change in cash and cash equivalents		6,439	-60,579
Cash and cash equivalents at the beginning of the period		-4,714	55,865
Cash and cash equivalents at the end of the period		1,725	-4,714
Definition of cash and cash equivalents			
Bank balances and cash-in-hand	(7)	1,725	3,317
Utilisation of overdraft facilities		0	-8,031
Cash and cash equivalents at the end of the period		1,725	-4,714

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 owners of the parent entity	Consolidated equity
		Capital reserves	Other revenue reserves			
1 July 2019	92,000	142,843	120,189	-113	354,919	354,919
Distributions to shareholders	0	0	-5,519	0	-5,519	-5,519
Transactions with shareholders	0	0	-5,519	0	-5,519	-5,519
Consolidated net loss for the year	0	0	-43,953	0	-43,953	-43,953
Other gains/losses incurred during the period, after taxes	0	0	0	0	0	0
Total comprehensive income	0	0	-43,953	0	-43,953	-43,953
30 June 2020	92,000	142,843	70,717	-113	305,447	305,447
1 July 2020	92,000	142,843	70,717	-113	305,447	305,447
Distributions to shareholders	0	0	0	0	0	0
Consolidated net loss for the year	0	0	-72,810	0	-72,810	-72,810
Other gains/losses incurred during the period, after taxes	0	0	0	0	0	0
Total comprehensive income	0	0	-72,810	0	-72,810	-72,810
30 June 2021	92,000	142,843	-2,093	-113	232,637	232,637

NOTES to the consolidated financial statements of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, for the financial year from 1 July 2020 to 30 June 2021
(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 9 August 2021, 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 2020 to 30 June 2021, 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 2020/2021 financial year:

Amendments to References to the Conceptual Framework in IFRS Standards

The revised Conceptual Framework comprises a new, overarching section entitled "Status and purpose of the conceptual framework" and eight distinct chapters. The Framework now includes chapters relating to "The reporting entity" and "Presentation and disclosure"; the "Recognition" chapter has been expanded to include "Derecognition".

Substantive amendments were also made: for instance, the distinction between revenues on the one hand and gains on the other is no longer drawn for income.

As part of the amendments to the Conceptual Framework, references to the Conceptual Framework in various standards have been amended.

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

Amendments to IFRS 3 – Definition of a Business

The IASB's amendment clarifies that a business comprises a set of activities and assets which must include, at a minimum, an input and a substantive

process that together significantly contribute to the ability to create outputs. Furthermore, the definition of outputs is narrowed by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs. The new provisions furthermore include an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

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

Amendment to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform

These amendments were issued to address existing uncertainties in connection with the IBOR reform. Under the present hedge accounting rules, the upcoming changes in benchmark rates would in many instances result in the termination of hedges. Now it is possible to continue existing hedge accounting relationships for a transitional period. To that end, the amendments provide for specific mandatory exceptions to previous hedge accounting rules, such as rules pertaining to the assessment of the "highly probable" criterion in the context of expected transactions as part of cash flow hedges. The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IAS 1 and IAS 8 – Definition of Material

The amendments create a uniform and more consistent definition of materiality of information presented in financial statements in the IFRSs and provide accompanying examples. In that connection, the definitions set out in the Conceptual Framework, IAS 1, IAS 8 and IFRS Practice Statement 2 "Making Materiality Judgements" have been aligned.

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

Amendments to IFRS 16 – Covid-19-Related Rent Concessions

IFRS 16 contains provisions relating to the presentation of changes in lease payments (including rent concessions) by the lessee. The lessee must generally assess for each lease whether the rent concessions granted constitute a modification of the lease and must remeasure the lease liability resulting from any such modifications.

The Amendment to IFRS 16 offers a practical expedient in the event rent concessions are utilised. This is subject to certain requirements and available for a limited time. The expedient permits lessees to account for rent concessions granted in connection with the COVID-19 pandemic not as lease modifications but rather as though there had been no modification to the lease.

Borussia Dortmund has made use of the option enshrined in "Amendment to IFRS 16 – Covid-19-Related Rent Concessions" to not present rent concessions granted in connection with COVID-19 as a modification. The applied option relates solely to three properties leased by BVB Merchandising GmbH. In total, changes in rent payments recognised through profit or loss amounted to EUR 66 thousand. These were recognised under other operating income.

Amendments to IFRS 4 – Extension of the Temporary Exemption from Applying IFRS 9 ("deferral of IFRS 9")

The Amendments to IFRS 4 are intended to address the temporary accounting issues caused by the difference in the dates of application of IFRS 9 Financial Instruments and the future IFRS 17 Insurance Contracts. In particular the temporary exemption from IFRS 9 is extended until 2023 in order to align the date of application of IFRS 9 with that of

the new IFRS 17. The Amendments must be applied for reporting periods beginning on or after 1 January 2021. Earlier application is permitted.

Borussia Dortmund currently does not expect any material impact on the consolidated financial statements.

Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2

The Amendments in Phase 2 of the IBOR reform project (Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases) supplement the rules set out in Phase 1 and address issues that might affect financial reporting when an existing interest rate benchmark is actually replaced.

The following aspects are affected in particular with respect to the presentation of financial instruments: In the event of changes in contractual cash flows, it

may not be necessary to adjust or derecognise the carrying amount of financial instruments on the basis of the adjustments. Rather, under certain conditions, the option is available to adjust the effective interest rate to reflect the change in the alternative benchmark interest rate.

With regard to hedge accounting, based on the amendments, it is not necessary under certain circumstances to terminate a hedging relationship designated for hedge accounting purposes due to adjustments triggered by the IBOR reform.

New risks arising from the reform and, in addition, how the transition to alternative reference rates will be handled must be disclosed.

In addition to amendments to IFRS 9, IAS 39 and IFRS 7, the IASB adopted minor amendments to IFRS 4 and IFRS 16.

The Amendments must be applied for reporting periods beginning on or after 1 January 2021.

Borussia Dortmund currently does not expect any material impact on the consolidated financial statements.

Accounting standards issued by the IASB, but not yet adopted by the EU and not yet applied by the Company:

Standard	New and amended Standards and Interpretations	Published by IASB	Mandatory application (IASB)	Expected effect on Group
IFRS 17 (including amendments to IFRS 17)	Insurance Contracts	18 May 2017	1 January 2023	None
Amendments to IFRS 3	References to the Conceptual Framework	14 May 2020	1 January 2022	Immaterial
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	11 September 2014/ 18 December 2014	TBA	Immaterial
Amendment to IAS 1 (including Deferral of Effective Date)	Classification of Liabilities as Current or Non-current	15 July 2020	1 January 2023	Immaterial
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use	14 May 2020	1 January 2022	Immaterial
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	14 May 2020	1 January 2022	Immaterial
Improvements to IFRS 2018 - 2020	Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	1 September 2020	1 January 2022	Immaterial

Scope of consolidated financial statements

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

The list of shareholdings as at 30 June 2021 was as follows:

Shareholdings (30 June 2021)

	Registered office	Share capital (EUR '000)	Shareholding %	Equity (EUR '000) as at 30/06/2021	Net profit/loss (EUR '000) 01/07/2020 to 30/06/2021
Fully consolidated companies					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	42
besttravel dortmund GmbH*	Dortmund	50	100.00	144	100
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	-748
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	725
BVB Asia Pacific Pte. Ltd.	Singapur	66	100.00	220	27
BVB Fußballakademie GmbH*	Dortmund	50	100.00	431	140
Investments accounted for using the equity method					
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	1,027	81

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

** Included in the consolidated financial statements as at 30 June 2021 as an associate on the basis of the net profit/loss reported as at 31 December 2020.

Shareholdings (30 June 2020)

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

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

** Included in the consolidated financial statements as at 30 June 2020 as an associate on the basis of the net profit/loss reported as at 31 December 2019.

No interim financial statements were prepared for Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (Orthomed GmbH) as at 30 June 2021 due to the fact that there would be no material impact on the consolidated financial statements.

Please refer to Note 33 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 are included in the consolidated financial statements as at the date control begins and until the time the Group no longer controls the entity.

Acquired subsidiaries are accounted for using the acquisition method. The acquisition cost is equal to the fair value of the assets given, the equity instruments issued and the liabilities incurred or assumed on the date of the transaction. The costs associated with the acquisition are recognised as an expense. When consolidated for the first time, the identifiable assets, liabilities and contingent liabilities acquired in a business combination are measured at their acquisition-date fair values, regardless of the size of the minority interest.

Any excess of the acquisition cost over the share of equity acquired at fair value is recognised as

goodwill. If the acquisition costs are lower than the fair value of the net assets of the subsidiary acquired, the measurement of net assets is reviewed and the difference is recognised directly in the consolidated statement of comprehensive income.

The Group's interests in investments accounted for using the equity method relate to shareholdings in associates.

Associates are entities over which the Group has a significant influence but does not control or jointly manage the entities' financial and operating policies.

Foreign currency translation

The consolidated financial statements are presented in euros. The euro is the currency of the primary business environment (functional currency) of all companies included in the consolidated financial statements. In the single-entry financial statements of the parent and of the consolidated subsidiaries, business transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing on the date of the transaction. Gains and losses arising on the fulfilment of such transactions and on the translation of monetary assets and liabilities carried in foreign currencies using the exchange rate prevailing at the end of the reporting period are recognised in profit or loss.

Accounting policies

The significant accounting policies used in the preparation of these consolidated financial statements are presented below. The policies described were applied consistently for the reporting periods shown, unless otherwise indicated.

The consolidated financial statements were prepared based on amortised cost. However, derivative financial instruments are measured at fair value.

Intangible assets

Purchased intangible assets are measured at cost less amortisation based on their expected useful lives or at the lower recoverable amount. Player registrations reported in these financial statements are measured at cost in accordance with IAS 38 and amortised on a straight-line basis over the term of the individual contracts.

Agent and brokerage commissions and other obligations in connection with contract extensions or players acquired on free transfers are recognised as intangible assets. If these obligations are subject to certain conditions precedent, they are recognised on the date the conditions are met. The intangible assets are amortised on a straight-line basis over the remaining term of the individual contracts.

Computer software for commercial and technical applications is amortised on a straight-line basis.

The useful lives and the methods of amortisation are reviewed at the end of each financial year.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses. Subsequent expenses are recognised only if it is probable that the future economic benefits associated with the expenses will flow to the Group.

The SIGNAL IDUNA PARK stadium buildings were measured at their fair value amounting to EUR

177,200 thousand in the opening IFRS statement of financial position as at 1 July 2004, in accordance with the option permitted by IFRS 1.16. This valuation is based on the opinion of an independent expert. The changes in accounting policies resulted as a consequence of an expert review of the remaining useful life of the stadium property, which since 1 July 2013 will be depreciated over 40 years (previously: 19.5 years). Annual depreciation amounted to EUR 3,034 thousand.

Land is carried at amortised cost and impaired if necessary.

Buildings and the remaining items of property, plant and equipment are measured at cost less depreciation. Repair and maintenance costs are recognised in the statement of comprehensive income as expenses in the current period.

Depreciation is calculated in order to allocate the cost of items of property, plant and equipment, less their estimated residual carrying amounts, on a straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss. Unless it is sufficiently clear that ownership will transfer to the Group at the end of the lease, leased assets are depreciated over the term of the lease or their useful lives, whichever is shorter. Land is not depreciated.

Straight-line depreciation is based on the following useful lives:

	Useful life in years
Stadium	40
Other buildings	20 to 50
Other equipment, operating and office equipment	7 to 15

The useful life and the method of amortisation are reviewed at the end of each financial year at a minimum.

Impairment testing

The useful lives of intangible assets and items of property, plant and equipment are all finite. If there are specific indications of possible impairment, individual assets are tested for impairment, both at the level of the individual assets and at the level of the cash-generating units. A cash-generating unit is the smallest identifiable group of assets that generate cash flows, which are independent of cash flows generated by other assets to the furthest extent possible. An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of net realisable value and value in use. If the reason for an impairment write-down recognised in prior years no longer exists, the impairment loss is reversed until the carrying amount of the asset, net of depreciation and amortisation, equals the amount that would have been determined if an impairment loss had not been recognised.

Leases

The Group's leases relate in particular to developed land and leased operating and office equipment.

Under the standard, lessees recognise a right-of-use asset (representing their right to use an underlying asset) and a lease liability (representing their obligation to make lease payments).

Pursuant to the exemptions under IFRS 16, Borussia Dortmund has opted to henceforth not apply the accounting requirements to leases with a term of 12 months or less and to leases for which the underlying asset is of low value.

Right-of-use assets recognised in accordance with IFRS 16 are measured at cost as at the commencement date and are generally discounted

at the rate implicit in the lease. That amount is reduced by cumulative depreciation and amortisation and, where appropriate, write-downs and impairment losses. Due to the existing lease agreements, Borussia Dortmund is entitled to control the use of various assets against payment of the lease obligations.

Financial instruments

Financial instruments under IFRS are classified in line with the format of the statement of financial position. The table under Note 31 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, 14 and 26 *et seq.* for information on the provision of collateral and further disclosures on financial liabilities.

Prepaid expenses and deferred income

Prepaid expenses and deferred income are recognised and apportioned on a straight-line basis over their term to allocate payments made on an accrual basis.

Recognition of income and expenses

Revenue is measured on the basis of the consideration set out in contracts with customers. The Group recognises revenue when (or as) it transfers control over a good or a service to a customer.

Transfer proceeds are recognised as the net gain on disposal less any residual carrying amount and presented separately in the "net transfer income" item in the statement of comprehensive income.

Type of product/ service	Primarily	Revenue recognition in accordance with IFRS 15
Match operations	Ticket proceeds	Revenue is recognised at a point in time (date of match).
Advertising	Sponsorship agreements	Revenue is recognised over time in line with the term of the agreement; performance-based bonuses are recognised at a point in time.
TV marketing	Centralised national/international TV marketing	Revenue is recognised over time; performance-based bonuses are recognised at a point in time.
Merchandising	Sale of fan merchandise/granting of licences	Revenue from fan merchandise is recognised at a point in time. Revenue from licences is recognised over time in line with the term of agreement.
Conference, catering, miscellaneous	Related to match-day operations	Revenue is recognised at a point in time.

Interest income and expenses are allocated to the period to which they relate, taking into account the outstanding amount of the loan and the effective interest rate to be applied. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Operating expenses are recognised when the goods or services are utilised or at the date the expenses are incurred.

Management of financial risks

The Group finances itself primarily from long-term leases, trade payables, season tickets paid for in advance and payments from sponsors. Furthermore, Borussia Dortmund has EUR 120,000 thousand overdraft facility at its disposal, which is secured against EUR 18,465 thousand in sponsorship income and a EUR 60,000 thousand registered land charge in relation to the stadium.

The related risks arising comprise fair value risks (interest-rate-related cash flow risks), liquidity risks, credit risks and currency/exchange rate risks. The methods of managing the individual types of risk are described in the following.

Exchange rate risk

The Group is exposed to transactional foreign currency risks to the extent that the quotations of currencies in which disposal and acquisition transactions as well as receivables and credit transactions are carried out do not match the functional currency of the Group companies. The aforementioned transactions are primarily

conducted on the basis of euros (EUR) and pounds sterling (GBP). Currency forwards are concluded to hedge the cash flows.

Sensitivity analysis (exchange rate risks)

Sensitivity analyses are used to assess the impact of a strengthening (weakening) of the exchange rate as of June 30 on equity or the statement of comprehensive income.

Interest rate risks

Interest rate risks relate to the risk that the interest rate associated with an interest-bearing financial instrument will deviate from the market interest rate due to future market developments. Interest rate risks can therefore arise from floating-rate loans, among other things. These risks are hedged using appropriate interest hedging instruments. Because Borussia Dortmund currently does not have any floating-rate loans or interest rate swaps, there is no necessity for hedges.

Sensitivity analysis (interest rate risk)

Sensitivity analyses are used to measure how sensitive financial ratios are to small changes in input parameters. Because Borussia Dortmund currently does not have any floating-rate loans or interest rate swaps, there is no necessity to perform sensitivity analyses.

Liquidity risk

The Group constantly monitors the risk of possible liquidity bottlenecks, taking into account the probable maturities of its financial liabilities and the timing of the expected cash flows from operating activities. Any liquidity risks are countered through appropriate forms of financing.

The elements of financing falling due in the short term are subject to continuous monitoring on the basis of the relevant corporate planning. Please refer to Note 30 for disclosures on the maturities of contractual cash flows.

The COVID-19 crisis has led to greater focus being placed on liquidity planning and management. The financial and liquidity planning apparatus that has been in place for many years considers a variety of planning scenarios and different premises, and is regularly adjusted to account for current conditions. Weekly target/actual comparisons enable Borussia Dortmund to devise and implement suitable liquidity management measures if necessary. The temporary salary waiver by the management, the players, the coaching staff and senior executives, as well as the reduction of the repair and maintenance budget and the reduction of capital expenditures have had a positive effect on the Company's liquidity situation.

Credit risk

The Group conducts business exclusively with third parties of high credit standing. Concentrations of credit risk can arise in the context of a player transfer and from long-term sponsorship agreements. Such concentrations of risk are monitored in the course of the Group's operating activities.

The maximum credit risk in the event of counterparty default is equal to the carrying amount of these instruments. Please refer to Note 26.

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 12 include detailed disclosures on finance leases.

Disclosures on deferred taxes are included, *inter alia*, in Note 24 and the section on accounting policies.

The collectability of trade receivables is assessed based on the estimated probability of default. Specific valuation allowances are calculated for overdue receivables using individually determined percentages. In the event that the financial situations of our partners worsen, the amounts actually written down may exceed the amount of the valuation allowances recognised. This could negatively impact the results of operations. Please refer to Note 5 for disclosures on carrying amounts.

Note 10 includes detailed disclosures on provisions.

Deferred tax assets are recognised in respect of tax loss carry-forwards to the extent that it is probable that taxable income will be available to enable the loss carry-forwards to actually be utilised. In order to determine the amount of the deferred tax assets required to be recognised in this context, management makes significant assumptions with respect to the expected timing and amount of future taxable income.

The preparation of financial statements in accordance with IFRS requires the use of judgement. All decisions requiring the use of judgement are reassessed on a permanent basis and are based on past experience and expectations as to future events that appear reasonable, given the current circumstances.

Operating segments

Borussia Dortmund has four reportable segments, which are responsible for the main activities of the overall Group. The first segment consists of Borussia Dortmund GmbH & Co. KGaA, which operates a football club including a professional football squad and leverages the associated revenue potential arising from transfer deals, catering, TV marketing, advertising and match operations. The second segment consists of the separate merchandising business, which is carried out by BVB Merchandising GmbH, a legally independent entity.

The wholly owned Group subsidiaries BVB Event & Catering GmbH and besttravel dortmund GmbH are also classified as reportable segments.

BVB Event & Catering GmbH is responsible for conducting stadium tours, providing and arranging for event staffing services and planning, organising, catering, steering and conducting events of all types in its own name and on behalf of third parties.

besttravel dortmund GmbH is responsible for arranging travel by air, rail and ship, as well as package tours offered to private customers by travel agents. It also organises and conducts events such as sports travel, conferences and incentive trips, and arranges hotel and car hire bookings.

Internal reporting is based on the accounting provisions of the German Commercial Code (*Handelsgesetzbuch*, "HGB").

OPERATING SEGMENTS

EUR '000	Borussia Dortmund KGaA		BVB Merchandising GmbH		BVB Event & Catering GmbH		besttravel dortmund GmbH		Total	
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
Total revenue	323,497	442,126	33,395	34,706	2,032	17,015	887	1,373	359,811	495,220
of which match operations	554	32,510	0	0	0	0	0	0	554	32,510
of which advertising	106,609	98,038	0	0	0	0	0	0	106,609	98,038
of which TV marketing	186,655	169,836	0	0	0	0	0	0	186,655	169,836
of which transfer deals	23,148	123,732	0	0	0	0	0	0	23,148	123,732
of which merchandising	0	0	33,395	34,706	0	0	0	0	33,395	34,706
of which conference, catering, miscellaneous	6,531	18,010	0	0	2,032	17,015	887	1,373	9,450	36,398
Total revenue	323,497	442,126	33,395	34,706	2,032	17,015	887	1,373	359,811	495,220
of which external	322,338	440,802	32,640	33,292	503	11,233	42	658	355,523	485,985
of which internal	1,159	1,324	755	1,414	1,529	5,782	845	715	4,288	9,235
Financial result	-262	1,915	0	0	0	0	-5	-4	-267	1,911
Share of profit from equity investments	0	0	0	0	0	0	0	0	0	0
of which profit transfer	1,007	4,669	0	0	0	0	0	0	1,007	4,669
of which loss absorption	-748	0	0	0	0	0	0	0	-748	0
Net interest income/expense	-521	-2,754	0	0	0	0	-5	-4	-526	-2,758
of which interest expense	-642	-2,934	0	0	0	0	-5	-4	-647	-2,938
of which interest income	121	180	0	0	0	0	0	0	121	180
Depreciation, amortisation and write-downs	-110,137	-105,547	-692	-1,426	-25	-34	-21	-21	-110,875	-107,028
Segment profit before taxes *	-77,080	-54,281	-748	2,458	724	1,582	100	566	-77,004	-49,675
Capital expenditure	91,663	160,453	6	403	0	7	0	1	91,669	160,864
Segment assets **	453,745	518,768	17,474	15,875	4,684	4,865	569	675	476,472	540,183
Segment liabilities	195,887	184,431	6,593	4,994	4,659	4,840	425	531	207,564	194,796
Investments accounted for using the equity method	96	96	0	0	0	0	0	0	96	96
Income from investments in associates	0	0	0	0	0	0	0	0	0	0

* Before profit or loss transfer.

** KGaA segment includes EUR 9,456 thousand (previous year: EUR 19,645 thousand) in assets held for sale.

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

RECONCILIATION of the segments to the statement of financial position and the consolidated statement of comprehensive income

EUR '000	Total		Other adjustments		Consolidated financial statements	
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
Total revenue	359,811	495,220	-25,640	-125,024	334,171	370,196
of which match operations	554	32,510	0	0	554	32,510
of which advertising	106,609	98,038	-32	-33	106,577	98,005
of which TV marketing	186,655	169,836	0	0	186,655	169,836
of which transfer deals	23,148	123,732	-23,148	-123,732	0	0
of which merchandising	33,395	34,706	-755	-1,414	32,640	33,292
of which conference, catering, miscellaneous	9,450	36,398	-1,705	155	7,745	36,553
Total revenue	359,811	495,220	-25,640	-125,024	334,171	370,196
of which external	355,523	485,985	-21,352	-115,789	334,171	370,196
of which internal	4,288	9,235	-4,288	-9,235	0	0
Financial result	-267	1,911	-792	-5,356	-1,059	-3,445
Share of profit from equity investments	0	0	81	-1	81	-1
of which profit transfer	1,007	4,669	-1,007	-4,669	0	0
of which loss absorption	-748	0	748	0	0	0
Net interest income/expense	-526	-2,758	-614	-686	-1,140	-3,444
of which interest expense	-647	-2,938	-780	-793	-1,427	-3,731
of which interest income	121	180	166	107	287	287
Depreciation, amortisation and write-downs	-110,875	-107,028	-168	898	-111,043	-106,130
Segment profit before taxes *	-77,004	-49,675	3,852	3,092	-73,152	-46,583
Capital expenditure	91,669	160,864	59	-1,923	91,728	158,941
Segment assets **	476,472	540,183	-25,953	-22,216	450,519	517,967
Segment liabilities	207,564	194,796	10,318	17,724	217,882	212,520
Investments accounted for using the equity method	96	96	306	225	402	321
Income from investments in associates	0	0	81	-1	81	-1

* Before profit or loss transfer.

** KGaA segment includes EUR 9,456 thousand (previous year: EUR 19,645 thousand) in assets held for sale.

The table below provides a detailed reconciliation of segment profit or loss before taxes, segment assets and segment liabilities:

EUR '000	Segment profit or loss before taxes		Segment assets		Segment liabilities	
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
Segments total	-77,004	-49,675	476,472	540,183	207,564	194,796
Profit from other companies	210	94	0	0	0	0
Other IFRS adjustments	1,454	1,772	-9,288	-5,298	0	0
IFRS 16 adjustments	1,165	305	20,280	22,459	21,060	24,404
IFRS 9 adjustments	248	-42	-26	-23	0	0
IFRS 15 adjustments	-70	118	69	139	103	219
Consolidation of long-term financial assets	0	0	-9,961	-11,621	0	0
Stadium buildings plus other assets	845	845	-27,027	-27,872	0	0
Other consolidation	0	0	0	0	-10,845	-6,899
	-73,152	-46,583	450,519	517,967	217,882	212,520

The Borussia Dortmund GmbH & Co. KGaA segment exceeded the 10% threshold stipulated in IFRS 8.34 for two customers by a total of EUR 181,291 thousand (previous year: two customers, EUR

172,660 thousand). In the past, no bad debts in excess of 2.5 percent have been reported for these customers. The allocation of revenue items is presented in the table below:

EUR '000	Borussia Dortmund KGaA		BVB Merchandising GmbH		BVB Event & Catering GmbH		besttravel dortmund GmbH		Total	
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
Total revenue – 10% threshold	181,291	172,660	0	0	0	0	0	0	181,291	172,660
of which match operations	0	74	0	0	0	0	0	0	0	74
of which advertising	54	51	0	0	0	0	0	0	54	51
of which TV marketing	178,774	169,080	0	0	0	0	0	0	178,774	169,080
of which merchandising	0	0	0	0	0	0	0	0	0	0
of which conference, catering, miscellaneous	2,463	3,455	0	0	0	0	0	0	2,463	3,455

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(1) Intangible assets

EUR '000	30/06/2021	30/06/2020
Player registrations	192,442	228,314
Industrial property rights and similar rights	992	1,353
	193,434	229,667

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 2.44 years (30 June 2020: 3.30 years).

Changes in intangible assets were as follows:

EUR '000	Player registrations	Industrial property rights and similar rights	Total
Cost			
As at 30 June 2019	276,508	4,101	280,609
Additions	226,336	457	226,793
Disposals	76,616	997	77,613
Reclassification to assets held for sale	22,039	0	22,039
As at 30 June 2020	404,189	3,561	407,750
Additions	58,738	0	58,738
Disposals	41,862	0	41,862
Reclassification to assets held for sale	3,849	0	3,849
As at 30 June 2021	417,216	3,561	420,777
Depreciation, amortisation and write-downs			
As at 30 June 2019	115,096	1,803	116,899
Additions	87,880	405	88,285
Disposals	19,418	0	19,418
Reclassification to assets held for sale, disposals	7,683	0	7,683
As at 30 June 2020	175,875	2,208	178,083
Additions	92,269	361	92,630
Disposals	40,965	0	40,965
Reclassification to assets held for sale, disposals	2,405	0	2,405
As at 30 June 2021	224,774	2,569	227,343
Carrying amounts			
As at 30 June 2019	161,412	2,298	163,710
As at 30 June 2020	228,314	1,353	229,667
As at 30 June 2021	192,442	992	193,434

(2) Property, plant and equipment

EUR '000	30/06/2021	30/06/2020
Land, land rights and buildings including buildings on third-party land	147,014	152,769
Other equipment, operating and office equipment	36,440	40,268
	183,454	193,037

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 and in SIGNAL IDUNA PARK.

In connection with the project to expand BVB's training centre, the new power plant and the sprinting hill were completed at the Dortmund-Brackel training ground.

At SIGNAL IDUNA PARK, investment centred around the network infrastructure.

The items of property, plant and equipment recognised in the statement of financial position as a result of a lease consist of buildings and other facilities (e.g., sport pitches and outdoor grounds) at the Dortmund-Brackel training ground and the youth centre.

In addition, the Wi-Fi and flood lighting system and the advertising boards in the upper stands at SIGNAL IDUNA PARK, as well as the Borussia Dortmund fan shops were also included in property, plant and equipment recognised under leases.

As at 30 June 2021, the following right-of-use assets related to the corresponding items in the statement of financial position:

	Net carrying amounts
EUR '000	30/06/2021
Buildings	12,661
Operating and office equipment	1,508
	14,169

In the previous year, assets had net carrying amounts of EUR 22,459 thousand, of which EUR 16,523 thousand was attributable to buildings and EUR 5,936 thousand to operating and office equipment.

Borussia Dortmund reported additions for right-of-use assets recognised under property, plant and equipment amounting to EUR 1,106 thousand (previous year: EUR 16,830 thousand). This was offset by depreciation and write-downs of EUR 3,285 thousand (previous year: EUR 3,627 thousand).

Current and non-current lease liabilities are presented minus payments already made.

The interest expense incurred for these items amounted to EUR 772 thousand (previous year: EUR 571 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 2019	257,023	76,707	333,730
Additions	2,848	20,416	23,264
Disposals	0	1,124	1,124
As at 30 June 2020	259,871	95,999	355,870
Additions	351	4,114	4,465
Disposals	0	1,002	1,002
As at 30 June 2021	260,222	99,111	359,333
Depreciation, amortisation and write-downs			
As at 30 June 2019	101,010	48,719	149,729
Additions	6,092	7,850	13,942
Disposals	0	838	838
As at 30 June 2020	107,102	55,731	162,833
Additions	6,106	7,497	13,603
Disposals	0	557	557
As at 30 June 2021	113,208	62,671	175,879
Carrying amounts			
As at 30 June 2019	156,013	27,988	184,001
As at 30 June 2020	152,769	40,268	193,037
As at 30 June 2021	147,014	36,440	183,454

(3) Investments accounted for using the equity method

The investment in Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (33.33%) with its HGB financial statements as at 31 December 2020 is reported here.

EUR '000	30/06/2021	30/06/2020
Non-current assets	557	641
Current assets	973	519
Non-current liabilities	165	177
Current liabilities	338	197
Net assets	1,027	786
Group's share of net assets (33.33%)	342	262
Goodwill	59	59
Dividends received after 31 December 2020	0	0
Carrying amount of interest in associate	402	321
Revenue	4,138	4,008
Profit/loss from continuing operations	242	-3
Comprehensive income (33.33%)	81	-1
Group's share of comprehensive income (33.33%)	81	-1

EUR '000	2020	2019
Cash flows from operating activities	620	118
Cash flows from investing activities	-40	-168
Cash flows from financing activities	-12	77
Net change in cash and cash equivalents	568	27

(4) Financial assets

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

Please refer to Note 31 for information on the fair values of financial assets.

In accordance with IFRS 15, the Group recognises an asset related to products sold with a right of return on the basis of the expected returns. This corresponds to the refund liability. As at 30 June 2021, the asset for the right of return of products amounted to EUR 60 thousand (previous year: EUR 139 thousand).

(5) Trade and other financial receivables

Trade and other financial receivables amounted to EUR 40,328 thousand (previous year: EUR 49,200 thousand) of which EUR 2,737 thousand (previous year: EUR 1,996 thousand) related to other financial receivables and EUR 37,591

thousand to trade receivables (previous year: EUR 47,204 thousand).

Trade receivables included EUR 22,187 thousand in transfer receivables (previous year: EUR 33,204 thousand).

Non-current

EUR '000	30/06/2021	30/06/2020
Trade receivables	10,392	12,680

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

amortised cost. Please refer to Note 31 for information on the fair values of financial assets.

Current

EUR '000	30/06/2021	30/06/2020
Trade receivables	28,381	38,506
Less allowances	-1,182	-3,982
Net trade receivables	27,199	34,524
Other financial receivables	2,737	1,996
	29,936	36,520

Current trade receivables and other assets do not bear interest and mostly have a maturity of up to

three months. Please refer to Note 31 for information on the fair values of financial assets.

(6) Inventories

EUR '000	30/06/2021	30/06/2020
Inventories/merchandise	7,235	7,342
Less write-downs	-429	-588
Net inventories	6,806	6,754

The carrying amount of inventories carried at fair value less costs to sell was EUR 1,292 thousand (previous year: EUR 1,645 thousand).

Impairments of inventories are carried in the cost of materials.

(7) Cash and cash equivalents

EUR '000	30/06/2021	30/06/2020
Bank balances and cash-in-hand	1,725	3,317

Bank balances have been subject to immaterial negative interest rates since financial year 2020/2021.

(8) Assets held for sale

Non-current assets are classified as "held for sale" and "measured at the lower of carrying amount and fair value less costs to sell" if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

By virtue of contractual arrangements and current transfer market conditions relating to the pending sale of transfer rights in one of the upcoming transfer windows, non-current intangible assets

were written down by EUR 4,810 thousand (previous year: EUR 3,903 thousand) to their fair value less costs to sell (meaning the gross transfer proceeds to be collected less transfer costs) and reclassified as held for sale. The carrying amount of assets held for sale amounted to EUR 9,456 thousand (previous year: EUR 19,645 thousand). The write-down was recognised under depreciation and amortisation.

(9) Equity

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 (30 June 2021), 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. 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.

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	In circulation
Balance as at 1 July 2019	92,000,000	-18,900	91,981,100
Change in treasury shares		0	
as at 30 June 2020	92,000,000	-18,900	91,981,100
Change in treasury shares		0	
as at 30 June 2021	92,000,000	-18,900	91,981,100

By virtue of a resolution by the Annual General Meeting on 19 November 2020, the Company was authorised until 18 November 2025, subject to the renewed consent of the Supervisory Board,

to increase the share capital by a maximum of EUR 18,400,000.00 in total by issuing new no-par value ordinary bearer shares against cash contributions on one occasion.

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	30/06/2021	30/06/2020
Equity of shareholders	232,637	305,447
Share in total capital	51.64 %	58.97 %

(10) Provisions

The EUR 2,333 thousand (previous year: EUR 0 thousand) in provisions recognised as at 30 June 2021 included provisions for litigation and liability risks relating to legal proceedings, and was expensed.

The outcome of the legal proceedings cannot be forecast with any certainty, meaning that the

amount of the expected obligation is also uncertain. Based on comparable past incidents and its present understanding of the substance of the matter, Borussia Dortmund anticipates a value in dispute and a potential loss of EUR 2,333 thousand.

(11) Financial liabilities

Current financial liabilities amounted to EUR 56,900 thousand as at the end of the reporting period (previous year: EUR 8,031 thousand). As in the previous year, this related to an overdraft facility that has been utilised.

(12) Lease liabilities

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

EUR '000	30/06/2021	30/06/2020
Less than 1 year	4,932	5,135
Between 1 and 5 years	11,106	13,886
More than 5 years	7,763	8,569
	23,801	27,590
Future finance charges from leases	-2,741	-3,186
Present value of liabilities from leases	21,060	24,404

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

EUR '000	30/06/2021	30/06/2020
Less than 1 year	4,241	4,350
Between 1 and 5 years	9,735	12,943
More than 5 years	7,084	7,111
	21,060	24,404

(13) Trade payables

Trade payables amounted to EUR 101,353 thousand (previous year: EUR 137,059 thousand), of which EUR 87,683 thousand (previous year: EUR 120,287 thousand) related to liabilities from

transfer deals. Liabilities from transfer deals declined due to payments made in connection with transfer agreements.

(14) Other financial obligations

EUR '000	30/06/2021	30/06/2020
Non-current		
Other	208	0
	208	0
Current		
Other taxes	6,971	9,949
Other	23,930	29,166
	30,901	39,115
Total other financial liabilities	31,109	39,115

Current other financial liabilities decreased year on year by EUR 8,214 thousand. This resulted primarily from payments made in the financial year for the professional squad.

In addition, other financial liabilities include refund liabilities amounting to EUR 103 thousand

(previous year: EUR 219 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.

(15) Prepaid expenses and deferred income

Prepaid expenses

EUR '000	30/06/2021	30/06/2020
Non-current		
Deferred income related to professional squad	867	4,569
Insurance premiums	0	2
Other advance payments	1,227	1,147
	2,094	5,718
Current		
Deferred income related to professional squad	8,722	6,560
Insurance premiums	538	604
Other advance payments	3,448	2,737
	12,708	9,901

Deferred income

EUR '000	30/06/2021	30/06/2020
Non-current		
Advance payments received from sponsors	0	230
	0	230
Current		
Advance payments received from ticket sales	22	2
Advance payments received from sponsors	4,447	2,931
Other advance payments	618	708
	5,087	3,641

Current deferred income as reported amounted to EUR 5,087 thousand (previous year: EUR 3,641 thousand), and consisted primarily of proceeds from sponsoring agreements relating to the 2021/2022 season, which are reversed rateably over the periods to which they relate.

In addition, because of the continuing COVID-19 pandemic, the services under sponsorship agreements not rendered in the 2019/2020 and 2020/2021 seasons (EUR 2,259 thousand) were reported under current deferred income. This is transferred to subsequent seasons as compensation.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(16) Revenue

EUR '000	2020/2021	2019/2020
Match operations	554	32,510
Advertising	106,577	98,005
TV Marketing	186,655	169,836
Merchandising	32,640	33,292
Conference, catering, miscellaneous	7,745	36,553
	334,171	370,196

Revenue is generated primarily in Germany. It includes prior-period revenue of EUR 2,155 thousand (previous year: EUR 785 thousand). The prior-period income recognised in the financial year related primarily to TV marketing.

(17) Net transfer income

EUR '000	2020/2021	2019/2020
Gross transfer proceeds	24,406	116,688
Transfer costs	-1,285	-7,488
Net transfer proceeds	23,121	109,200
Residual carrying amount	-7,720	-69,040
Net transfer income	15,401	40,160

(18) Other operating income

Other operating income increased year on year from EUR 9,195 thousand to EUR 10,377 thousand and consisted mainly of income from insurance reimbursements amounting to EUR 3,796 thousand, income from the reversal of provisions amounting to EUR 1,525 thousand as well as income from reimbursements for granting contractual marketing rights amounting to EUR 941 thousand.

The share of other operating income recognised from prior periods amounted to EUR 2,608 thousand (previous year: EUR 5,033 thousand), of which EUR 1,525 thousand resulted from the reversal of provisions and the derecognition of liabilities.

(19) Cost of materials

Cost of materials decreased from EUR 22,392 thousand to EUR 19,589 thousand. This item consisted mainly of the cost of goods sold for BVB Event & Catering GmbH (EUR 625 thousand;

previous year: EUR 4,716 thousand) and BVB Merchandising GmbH (EUR 18,901 thousand; previous year: EUR 17,794 thousand).

(20) 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	2020/2021	2019/2020
Wages and salaries	207,025	206,939
Social security contributions	8,625	8,218
	215,650	215,157

During financial year 2020/2021, EUR 2,647 thousand was paid into the German statutory retirement pension system (previous year: EUR 2,750 thousand).

(21) Depreciation and amortisation

EUR '000	2020/2021	2019/2020
Amortisation of intangible assets	97,440	92,188
Depreciation of property, plant and equipment	13,603	13,942
	111,043	106,130

(22) Other operating expenses

EUR '000	2020/2021	2019/2020
Match operations	36,956	47,211
Advertising	10,708	26,989
Transfer deals	4,204	4,654
Retail	6,486	6,463
Administration	22,807	25,352
Other	4,599	8,341
	85,760	119,010

Other operating expenses include prior-period expenses in the amount of EUR 762 thousand (previous year: EUR 776 thousand).

(23) Financial result

EUR '000	2020/2021	2019/2020
Net income/loss from investments in associates (see Note (3))	81	-1
Finance income		
Interest income in accordance with IFRS 9	252	167
Other interest income	35	120
	287	287
Finance costs		
Discounting expenses and other interest	-554	-2,879
Interest expenses for lease liabilities	-772	-571
Interest expenses in accordance with IFRS 9	-101	-281
	-1,427	-3,731
	-1,059	-3,445

(24) Income taxes and deferred taxes

In the current financial year, Borussia Dortmund generated tax income of EUR 342 thousand (previous year: EUR 2,630 thousand) as the result of a trade tax reimbursement.

The deferred tax assets and liabilities reported in the consolidated statement of financial position relate to the following items:

EUR '000	Net as at 30/06/2020	Recognised in profit or loss	Net as at 30/06/2021	Deferred tax assets	Deferred tax liabilities
Intangible assets	5,477	-1,653	3,824	3,824	0
Property, plant and equipment	-6,166	-1,026	-7,192	0	-7,192
Trade receivables and other assets	275	-81	194	194	0
Trade payables	-16,686	1,489	-15,197	0	-15,197
Tax loss carry-forwards	17,100	1,271	18,371	18,371	0
Total	0	0	0	22,389	-22,389

EUR '000	Net as at 30/06/2019	Recognised in profit or loss	Net as at 30/06/2020	Deferred tax assets	Deferred tax liabilities
Intangible assets	11	5,466	5,477	5,477	0
Property, plant and equipment	-5,085	-1,081	-6,166	61	-6,227
Trade receivables and other assets	235	40	275	275	0
Trade payables	-9,716	-6,970	-16,686	639	-17,325
Tax loss carry-forwards	11,876	5,224	17,100	17,100	0
Total	-2,679	2,679	0	23,552	-23,552

The income tax expense was made up as follows:

EUR '000	2020/2021	2019/2020
Income taxes		
Current period	-60	-40
Prior period	402	-9
Deferred tax benefit/expense in connection with the creation or reversal of temporary differences	-1,271	-2,545
Tax loss carryforwards not yet utilised	1,271	5,224
	342	2,630

At the end of the reporting period, the Group had corporation tax loss carry-forwards amounting to EUR 118,937 thousand (previous year: EUR 44,270 thousand) and trade tax loss carry-forwards amounting to EUR 100,069 thousand (previous year: EUR 29,492 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	2020/2021	2019/2020
Consolidated net profit before income taxes	-73,152	-46,583
<i>Theoretical tax rate in %</i>	<i>32.81</i>	<i>32.81</i>
Expected tax benefit from income taxes	24,001	15,284
Effects from tax additions and subtractions	988	1,240
Change in ability to utilise tax loss carry-forwards	-24,989	-16,564
Change in deferred taxes	0	2,679
Prior-year taxes	402	-9
Other tax effects	-60	0
Tax income as reported in the consolidated statement of comprehensive income	342	2,630
<i>Actual tax rate in %</i>	<i>-0.47</i>	<i>-5.64</i>

(25) Consolidated statement of cash flows

Cash and cash equivalents reported in the statement of financial position amounted to EUR 1,725 thousand (previous year: EUR 3,317 thousand). In addition, liabilities to banks amounting to EUR 56,900 thousand (previous year: EUR 8,031 thousand) were reported during the period under review.

Cash flows from operating activities amounted to EUR 15,947 thousand (previous year: EUR -362 thousand) and cash flows from investing activities

amounted to EUR -62,022 thousand (previous year: EUR -50,769 thousand).

Net cash flows from investing activities included transfer proceeds, netted directly against payments linked to transfers amounting to EUR 5,071 thousand (previous year: EUR 8,955 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 as at 30 June 2021

EUR '000	Equity			Liabilities/derivatives			
	Subscribed capital	Reserves	Treasury shares	Financial liabilities	Lease liabilities	Other financial liabilities	Total
Balance as at 30 June 2020	92,000	213,560	-113	8,031	24,404	39,115	376,997
Proceeds from finance raised	0	0	0	56,900	0	0	56,900
Repayment of lease liabilities	0	0	0	0	-4,386	0	-4,386
Total change in cash flows from financing activities	0	0	0	56,900	-4,386	0	52,514
Other changes							
related to liabilities							
Change in financial liabilities	0	0	0	-8,031	0	0	-8,031
Change in other financial liabilities	0	0	0	0	0	-5,673	-5,673
Change in lease liabilities	0	0	0	0	1,042	0	1,042
related to equity							
Consolidated net loss for the year	0	-72,810	0	0	0	0	-72,810
Total other changes related to liabilities	0	0	0	-8,031	1,042	-5,673	-12,662
Total other changes related to equity	0	-72,810	0	0	0	0	-72,810
Balance as at 30 June 2021	92,000	140,750	-113	56,900	21,060	33,442	344,039

Reconciliation of change in liabilities to cash flows from financing activities in accordance with IAS 7.44 as at 30 June 2020

EUR '000	Equity			Liabilities/derivatives			
	Subscribed capital	Reserves	Treasury shares	Lease liabilities	Other financial liabilities	Total	
Balance as at 30 June 2019	92,000	263,032	-113	11,508	40,859	407,286	
Acquisition of minority interests	0	0	0	0	0	0	
Payment for settlement of derivatives	0	0	0	0	0	0	
Dividend payments	0	-5,519	0	0	0	-5,519	
Repayment of lease liabilities	0	0	0	-3,929	0	-3,929	
Total change in cash flows from financing activities	0	-5,519	0	-3,929	0	-9,448	
Other changes							
related to liabilities							
Change in other financial liabilities	0	0	0	0	-1,744	-1,744	
Change in lease liabilities	0	0	0	16,825	0	16,825	
related to equity							
Consolidated net loss for the year	0	-43,953	0	0	0	-43,953	
Total other changes related to liabilities	0	0	0	16,825	-1,744	15,081	
Total other changes related to equity	0	-43,953	0	0	0	-43,953	
Balance as at 30 June 2020	92,000	213,560	-113	24,404	39,115	368,966	

OTHER DISCLOSURES

FINANCIAL RISKS

(26) 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	30/06/2021	30/06/2020
Financial assets, receivables and other financial receivables	40,440	49,607
Cash and cash equivalents	1,725	3,317

When reporting trade receivables, Borussia Dortmund uses the simplified approach whereby expected credit losses are recognised over the entire remaining term upon recognition. Expected credit losses are calculated using the simplified approach, broken down by risk group and taking into account historical default rates. The allocation to the respective risk groups is based on the shared credit risk characteristics. At Borussia Dortmund, these are receivables from transfer deals on the one hand, and other trade receivables related primarily to ticketing, merchandising and sponsorships on the other. Credit loss rates specific to the risk clusters are calculated on the basis of the historical credit loss rates for the past three financial years and taking into account forward-looking macroeconomic indicators (gross domestic product) as well as an assessment of the economic impact of the COVID-19 pandemic. This method of calculation resulted in a loss rate that was insignificantly higher than in the previous year.

Under the simplified approach, loss allowances are recognised on an individual basis if one or more events occur that have a detrimental impact on the creditworthiness of the debtor. These events include default in payment, impending insolvency or concessions by the debtor due to payment difficulties. Trade receivables are written off immediately if their recoverability is no longer expected with sufficient probability. This is the case, for example, when the debtor is in default.

Receivables from transfer deals represent a concentration of risk, which is hedged using transfer rights.

The change in loss allowances on the basis of the expected credit losses for trade receivables as at 30 June 2021 is presented in the table below:

EUR '000	2020/2021	2019/2020
Loss allowances as at 1 July in accordance with IFRS 9	3,982	1,852
Transfers recognised in profit or loss	497	2,552
Reversals recognised in profit or loss	-626	-427
Items recognised outside profit or loss	-2,675	0
Loss allowances in accordance with IFRS 9	4	5
Loss allowances as at 30 June	1,182	3,982

The maturities of trade receivables, including other financial receivables, as at the end of the reporting period were as follows:

Maturity analysis of receivables

EUR '000	30/06/2021	30/06/2020
Not yet due	38,893	48,767
Less than 30 days past due	870	358
Between 30 and 89 days past due	565	74
More than 90 days past due	0	1
	40,328	49,200

Cash and cash equivalents relate to bank balances and short-term investments in the form of overnight and time deposits. Borussia Dortmund only deposits money at banks with investment grade ratings. Furthermore, the creditworthiness of the banks is regularly monitored on the basis of credit default swaps (CDS).

Due to the short investment term and the creditworthiness of the banks, cash and cash equivalents are subject to a low level of credit risk. Thus, as in the previous year, no material loss allowances had been recognised.

The table below contains information on the credit risk and the expected credit losses according to the classes of receivables defined by Borussia Dortmund as at 30 June 2021:

30 June 2021

EUR '000	Gross carrying (EUR '000)	Default rate (%)	Expected credit losses (EUR'000)
Receivables from transfer deals	17,584	0.08	14
Other trade receivables	15,416	0.08	12
Total	33,000		26

30 June 2020

EUR '000	Gross carrying (EUR '000)	Default rate (%)	Expected credit losses (EUR'000)
Receivables from transfer deals	24,103	0.06	14
Other trade receivables	14,008	0.06	9
Total	38,111		23

(27) Exchange rate risk

As at 30 June 2021, the Group had financial liabilities amounting to GBP 10,000 thousand that are exposed to exchange rate risk. In order to fully hedge the currency risk, EUR/GBP currency forwards with matching maturities and a notional volume of GBP 10,000 thousand have been entered into, which are not part of an IFRS 9 hedge accounting relationship and are therefore accounted for on a stand-alone basis.

A strengthening (weakening) of the pound sterling (GBP) against the euro (EUR) by +10% (-10%) would not have any material effect on the statement of comprehensive income as at 30 June 2021, as the changes in value of the financial liabilities and the currency forwards offset each other in the statement of comprehensive income.

(28) Interest rate risk

As in the previous year, Borussia Dortmund's portfolio only included non-derivative financial instruments bearing fixed interest as at 30 June 2021. 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 31.

Carrying amounts of non-derivative interest-bearing financial instruments

EUR '000	30/06/2021		30/06/2020	
	Fixed interest	Variable interest	Fixed interest	Variable interest
Financial assets, receivables and other financial receivables	40,440	0	49,607	0
Financial liabilities from leases	21,060	0	24,404	0

(29) Net gains/losses

The net gains and losses from financial instruments presented below comprise measurement gains and losses, premium and discount amortisation, the

recognition and reversal of impairment write-downs, interest and all other earnings impacts from financial instruments.

Net gains and losses from financial instruments

Measurement category in accordance with IFRS 9

(EUR '000)	2020/2021	2019/2020
Financial assets measured at amortised cost	-13	-3,276
Of which net interest expense/income	-13	-1,142
Financial assets measured at fair value through profit or loss	252	-115
Of which net interest expense/income	252	-115
Financial liabilities measured at amortised cost	-1,379	-2,187
Of which net interest expense/income	-1,379	-2,187
Net gains/losses from financial instruments	-1,140	-5,578
Of which net interest expense/income	-1,140	-3,444

(30) Liquidity risk

The following table shows the contractually arranged undiscounted payments of interest and principal in respect of financial liabilities. Whenever a right of termination exists, the figures are reported as at the earliest possible termination date.

Maturities of contractual cash flows from financial liabilities in 2021

EUR '000	Lease liabilities	Trade and other financial liabilities	Total
2021/2022	4,931	83,360	88,291
2022/2023	4,939	37,052	41,991
2023/2024	2,846	302	3,148
2024/2025	1,873	52	1,925
2025/2026	1,448	52	1,500
2026 and beyond	7,763	0	7,763
	23,800	120,818	144,618

Maturities of contractual cash flows from financial liabilities in 2020

EUR '000	Lease liabilities	Trade and other financial liabilities	Total
2020/2021	5,135	67,432	72,567
2021/2022	4,670	40,150	44,820
2022/2023	4,753	27,137	31,890
2023/2024	2,694	2,340	5,034
2024/2025	1,769	0	1,769
2025 and beyond	8,569	0	8,569
	27,590	137,059	164,649

(31) Fair values of financial instruments by class and category

The table below provides a reconciliation of the individual classes and categories of IFRS 9 to the items of the statement of financial position and the fair values as at 30 June 2021:

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2021	Fair value 30/06/2021
ASSETS		
At amortised cost		
Non-current financial assets	27	27
Non-current trade and other receivables	5,775	5,775
Current trade and other receivables	29,936	29,936
Cash and cash equivalents	1,725	1,725
At fair value through profit or loss		
Receivables intended for factoring	4,617	4,617
Total	42,080	42,080

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2021	Fair value 30/06/2021
LIABILITIES		
At amortised cost		
Other non-current financial liabilities	208	208
Non-current lease liabilities	16,819	n/a
Non-current trade payables	37,250	37,250
Current financial liabilities	56,900	56,900
Current lease liabilities	4,241	n/a
Current trade payables	64,103	64,103
Other current financial liabilities	33,234	33,234
Total	212,755	191,695

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2020	Fair value 30/06/2020
ASSETS		
At amortised cost		
Non-current financial assets	32	32
Non-current trade and other receivables	3,565	3,565
Current trade and other receivables	36,520	36,520
Cash and cash equivalents	3,317	3,317
At fair value through profit or loss		
Receivables intended for factoring	9,115	9,115
Total	52,549	52,549

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2020	Fair value 30/06/2020
LIABILITIES		
At amortised cost		
Other non-current financial liabilities	0	0
Non-current lease liabilities	20,054	n/a
Non-current trade payables	69,627	69,627
Other trade payables	8,031	8,031
Current lease liabilities	4,350	n/a
Current trade payables	67,432	67,432
Other current financial liabilities	39,115	39,115
Total	208,609	184,205

Any necessary transfers between the levels of the fair value hierarchy take place as at the end of the financial year in which the event triggering them occurs. There were no reclassifications in the current financial year. The fair value of receivables earmarked for factoring is assigned to level 3 and the fair value of all other financial instruments specified above is assigned to level 2.

Due to their short residual terms, the carrying amounts reported for current trade receivables

and payables and cash are roughly equivalent to their fair values.

Non-current trade receivables and liabilities are discounted to present value and accrue interest. In these cases, the carrying amounts largely correspond to fair value.

Receivables that can potentially be sold as part of factoring are recognised at fair value through profit or loss on the basis of the business model in

accordance with the requirements of IFRS 9. The fair value is measured by discounting the cash flows. The measurement models take into account the present value of the expected payments, discounted using a risk-adjusted discount rate. Borussia Dortmund regularly receives an individually-calculated discount rate from the factor

(30 June 2021: 2.65%). Thus, the fair value would increase (decrease) at the same rate if the discount rate were lower (higher). Since the changes in fair value are recognised in the income statement, the table below presents the effects on earnings as at the end of the reporting period:

EUR '000	
Carrying amount of receivables intended for factoring (1 July 2020)	9,115
Additions	0
Disposals	-4,750
Gains/losses recognised through profit or loss	252
Carrying amount of receivables intended for factoring (30 June 2021)	4,617

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.

(32) 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.

(33) 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 37 and 39 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	2020/2021	2019/2020
Transactions with BV. Borussia 09 e.V. Dortmund		
Rental income	291	329
Income from other services	187	411
Income from ticket sales	0	104
Transactions with Borussia Dortmund Geschäftsführungs-GmbH		
Expense from costs recharged	4,127	3,917
of which from executive remuneration falling due	3,818	3,588
Transactions with Orthomed GmbH		
Expense from other services	322	322

EUR '000	30/06/2021	30/06/2020
Other current and non-current assets		
Intercompany account with BV. Borussia 09 e.V. Dortmund	63	39
Other current liabilities		
Intercompany account with Borussia Dortmund Geschäftsführungs-GmbH	2,126	1,933

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 102 thousand (previous year: EUR 213 thousand). These transactions were conducted at arm's length.

(34) Other financial obligations

EUR '000	30/06/2021	Total	Due after		
			less than 1 year	1-5 years	more than 5 years
Rental and lease payments		893	582	271	40
Marketing fees		38,700	7,259	31,441	0
Other obligations		2,986	844	2,007	135
		42,579	8,685	33,719	175
Purchase commitments		16,000	5,500	10,500	0

In financial year 2020/2021, EUR 1,060 thousand in rental and lease payments were expensed for leases within the meaning of IFRS 16.6.

EUR '000	30/06/2020	Total	Due after		
			less than 1 year	1-5 years	more than 5 years
Rental and lease payments		1,301	536	700	65
Marketing fees		45,410	6,075	30,587	8,748
Other obligations		3,301	840	2,321	140
		50,012	7,451	33,608	8,953
Purchase commitments		0	0	0	0

In financial year 2019/2020, EUR 897 thousand in rental and lease payments were expensed for leases within the meaning of IFRS 16.6.

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 33,846 thousand (previous year: EUR 41,186 thousand) in variable

payment obligations under existing agreements with conditions precedent were reported as at 30 June 2021, of which EUR 18,400 thousand (previous year: EUR 26,604 thousand) were due in less than one year.

(35) Events after the end of the reporting period

Transfer deals

Borussia Dortmund has reached an agreement with the top English club, Manchester United, regarding the transfer of player Jadon Sancho. As part of this agreement, Borussia Dortmund will receive a fixed transfer fee of EUR 85.0 million, which is expected to have a positive effect of around EUR 56.0 million on the key earnings figures (EBITDA, EBIT) for the 2021/2022 financial year.

Borussia Dortmund has now reached an agreement with the French club, Olympique Marseille, on the permanent transfer of Leonardo Balerdi, who had already spent the 2020/2021 season on loan there.

Capital expenditure

Borussia Dortmund has signed Dutch international Donyell Malen from PSV Eindhoven. The 22-year-old signed a contract with the German Cup winners that runs until 30 June 2026.

Match operations

On 4 December 2020, the DFB Executive Committee adopted the new fixture calendar for the 2021/2022 season. This stipulated that Bundesliga matches would start on the weekend of 13 to 15 August 2021. The 34th and final Bundesliga match day is scheduled for 14 May 2022.

The DFB Cup will start with the first round one week before the Bundesliga from 6 August 2021.

The DFL Super Cup between Borussia Dortmund and Bayern Munich will be played on 17 August 2021.

The dates for the UEFA Champions League have also already been set: the first match day of the group stage will be played on 14/15 September 2021.

(36) Average number of salaried employees

	2020/2021	2019/2020
Total	806	902
of which in the Athletics Department	233	273
of which trainees	8	15
of which other	565	614

(37) Management

Management remuneration

EUR '000	2020/2021	2019/2020
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	1,905	1,802
Other remuneration	41	40
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	905	860
Other remuneration	61	72
Carsten Cramer		
Fixed components		
Fixed remuneration	873	864
Other remuneration	33	42
	3,818	3,680

The members of management received remuneration within the meaning of IAS 24.17 (a) in the 2020/2021 financial year.

EUR 23 thousand in employer contributions to the German statutory retirement pension system were incurred (previous year: EUR 23 thousand).

The management did not receive any performance-based remuneration for the 2020/2021 financial year or the previous year.

(38) Auditors' fees

These were reported in accordance with the classification set out in IDW AcP HFA 36.

EUR '000	2020/2021	2019/2020
Audit services	277	256
Other audit-related work	50	50
Tax advisory services	1	2
Other services	0	2

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

services covering advice and assessment in individual cases and audited the separate non-financial Group report. The other advisory services relate to confirmations in connection with licensing procedures. Advisory services relating to the General Data Protection Regulation were reported under other services in the previous year.

(39) Supervisory Board

The members of the Company's Supervisory Board waived 33.33% of their Supervisory Board remuneration in financial year 2020/2021. Their names, occupations and their further responsibilities on other management bodies are listed below:

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. KGaA

Gerd Pieper	Christian Kullmann	Bernd Geske	Peer Steinbrück	Ulrich Leiermann	Bjørn Gulden	Dr. Reinhold Lunow	Silke Seidel	Bodo Löttgen	Judith Dommermuth
Chairman	Deputy Chairman		(until 19 November 2020)						(since 19 November 2020)

FULL REMUNERATION PAYABLE FOR 2020/2021 (EUR '000) (received by the members after waiving all remuneration in accordance with IAS 24.17 (a) in the 2020/2021 financial year).

48	36	24	9	24	24	24	24	24	15
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OCCUPATIONS (as at 30 June 2021)

Retired; former Managing Director of Stadt-Parfümerie Pieper GmbH, Herne	Chairman of the Executive Board of Evonik Industries AG, Essen	Managing partner of Bernd Geske Lean Communication, Meerbusch	Senior Advisor to the Management Board of ING-DiBa AG, Frankfurt am Main	Chairman of the Managing Boards of group parent companies of the SIGNAL IDUNA Group, Dortmund (SIGNAL Krankenversicherung a.G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., Hamburg; SIGNAL IDUNA Unfallversicherung a.G., Dortmund; SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund)	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmunder Stadwerke AG and Managing Director of Hohenbuscher Beteiligungsgesellschaft mbH, Westfalentor 1 GmbH and Dortmund Logistik GmbH, all in Dortmund	Chair of the CDU parliamentary group in the state parliament of North Rhine-Westphalia, detective chief inspector (Kriminalhauptkommissar) (ret.), public administration graduate	Managing partner of JUVIA Verwaltungs GmbH, Cologne
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OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 30 June 2021)

Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund	Chairman of the Supervisory Board of Clear-VAT Aktiengesellschaft, Berlin	Member and Chairman of the Supervisory Board of Dortmunder Volksbank eG, Dortmund; Member and Chairman of the Supervisory Board of Sana Kliniken AG, Ismaning	Chairman of the Board Salling Group A/S, Braband, Denmark (since 6 March 2020); Member of the Supervisory Board of Tchibo GmbH, Hamburg	Member of the Advisory Board of Borussia Dortmund Geschäftsführungs GmbH, Dortmund
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(40) 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.

(41) Notifiable shareholdings

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

Of the shareholdings in our Company, the following were notified to us pursuant to § 33 (1) of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG") and published with the following content pursuant to § 40 (1) WpHG in financial year 2020/2021:

On 26 February 2021, Mr François Henri Joseph Pinault and Mr François Jean-Henri Pinault notified us that their voting rights in Borussia Dortmund GmbH & Co. KGaA amounted to 0.0% as at 16 May 2018 (0 voting rights or shares); that their notification was submitted due to the discontinuation of the jointly attributed controlling position in relation to PUMA SE, as a consequence of which no voting rights stemming from shares in Borussia Dortmund GmbH & Co. KGaA were attributable to Kering S.A., Artémis S.A. or Financière Pinault S.C.A.

PUMA SE, Herzogenaurach, Germany, notified us on 17 February 2021, that its share of voting rights in Borussia Dortmund GmbH & Co. KGaA amounted to 4.99% on 16 February 2021 (4,599,900 voting rights or shares) and that all of their voting rights were held directly by PUMA SE in accordance with § 33 WpHG.

Mr Ralph Dommermuth notified us on 8 February 2021 that his voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 4.99% on 8 February 2021 (4,599,000 voting rights/shares) and that all of these voting rights were attributable to him (Mr Ralph Dommermuth) pursuant to § 34 WpHG via Ralph Dommermuth Beteiligungen GmbH, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- Ralph Dommermuth
- Ralph Dommermuth Verwaltungs GmbH
- Ralph Dommermuth GmbH & Co. KG Beteiligungsgesellschaft
- Ralph Dommermuth Beteiligungen GmbH with a voting interest of 4.99%

**(42) Shareholdings by members
of governing bodies**

As at 30 June 2021, one member of management held 7,045 no-par value shares in the Company. As at the same date, the members of the Supervisory Board held a total of 8,602,009 no-par value shares. Members of management and the Supervisory Board hold a total of 8,609,054 no-par-value shares, which corresponds to more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

(43) 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 7 September 2020 and made it permanently available to shareholders on the website at <https://aktie.bvb.de/eng/Corporate-Governance/Statement-of-Compliance>.

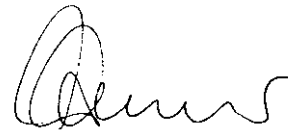
Dortmund, 9 August 2021
Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien
Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

Note: This is a translation of the German original. Solely the original text in German language is authoritative.

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Opinions

We have audited the consolidated financial statements of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund ("Borussia Dortmund") and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of June 30, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from July 1, 2020 to June 30, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien for the financial year from July 1, 2020 to June 30, 2021.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of June 30, 2021, and of its financial performance for the financial year from July 1, 2020, to June 30, 2021, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of those components of the group management

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

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) [Institute of Public Auditors in Germany]. Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements

for the financial year from July 1, 2020 to June 30, 2021. 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 (13) Trade payables).

THE CONSOLIDATED FINANCIAL STATEMENT RISK

Player registrations in the amount of EUR 192.4 million are presented under intangible assets in the consolidated financial statements of Borussia Dortmund. Player registrations decreased to EUR 192.4 million in the financial year ended due to additions of EUR 58.7 million, disposals of EUR 0.8 million, write-downs of EUR 87.9 million and reclassifications of EUR 1.4 million. Trade payables include transfer liabilities of EUR 87.7 million.

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

Furthermore, there is generally the risk of inappropriate subsequent measurement of the intangible assets and transfer liabilities, as well as of the completeness of transfer liabilities that may arise if conditional contractual components or contract modifications materialize.

OUR AUDIT APPROACH

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

As part of subsequent measurement, we checked material transfer and agent agreements to assess whether conditions had occurred in financial year 2020/2021 triggering subsequent acquisition costs and additional liabilities from transfers and whether these were recognized accordingly in the financial statements.

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

OUR OBSERVATIONS

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

Completeness and accuracy of personnel expenses of the professional squad

We refer to the information in the notes to the consolidated financial statements under explanatory notes to the statement of comprehensive income (Section (20) 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.

OUR AUDIT APPROACH

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

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

OUR OBSERVATIONS

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

Other information

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

- the Group's separate non-financial report, which is referred to in the group management report, and
- the corporate governance statement referred to in the group management report.

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

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

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

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

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express

- opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
 - Perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance in accordance with Section 317 (3b) HGB on the Electronic Reproduction of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes

We have performed assurance work in accordance with Section 317 (3b) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the file that can be downloaded by the issuer from the electronic client portal with access protection, "05-08-2021-17-35_xbrl_file.zip"; [SHA256-hash value: bf0472ef5c230990 b635e8b8a6e0054a897d24d0761d3f15f997a413bc41 6fea] and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In

accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting

format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from July 1, 2020, to June 30, 2021 contained in the "Report on the Audit of the Consolidated Financial Statements and the Group Management Report" above.

We conducted our assurance work on the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned electronic file in accordance with Section 317 (3b) HGB and the Exposure Draft of the IDW Assurance Standard: Assurance in accordance with Section 317 (3b) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410. Accordingly, our responsibilities are further described below. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The company's management is responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the group management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the company's management is responsible for the internal controls they consider necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The company's management is also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited consolidated financial statements and audited group management report as well as other documents to be published to the operator of the German Federal Gazette [Bundesanzeiger].

The supervisory board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance of the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the electronic file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the annual general meeting on November 19, 2020. We were engaged by the supervisory board on January 18, 2021. 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, 9 August 2021
KPMG AG Wirtschaftsprüfungsgesellschaft
[Original German version signed by]

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, 9 August 2021

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

FINANCIAL CALENDAR

12 November 2021

Disclosure of the quarterly financial report –
Q1 fiscal year 2021/2022

2 December 2021

Annual shareholders meeting 2021

For more information, go to: <http://aktie.bvb.de/eng>



- BORUSSIA DORTMUND

POKALFINALE

PUBLICATION DETAILS

Published by

Borussia Dortmund GmbH & Co. KGaA
Rheinlanddamm 207-209
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Internet

www.bvb.de/aktie/eng

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Design

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Photography

Alexandre Simoes
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Printed by

Lensing Druck GmbH & Co. KG
Feldbachacker 16
44149 Dortmund



