

OVERVIEW OF FINANCIAL PERFORMANCE INDICATORS

Borussia Dortmund KGaA (HGB)

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

Borussia Dortmund Group (IFRS)

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

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

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Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

Dear Shareholders,

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

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

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

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

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

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

Stay healthy, friends!



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



REPORT OF THE SUPERVISORY BOARD

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

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

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

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

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

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

Supervisory Board activity, meetings

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

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

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

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

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

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

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

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

2019/2020 Annual and Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Corporate governance

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

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

Personnel matters

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

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

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

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

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

Dortmund, dated 7 September 2020

The Supervisory Board



Gerd Pieper
Chairman

EXECUTIVE BODIES

BV. BORUSSIA 09 e.V. DORTMUND

Chairman

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

BORUSSIA DORTMUND GmbH & Co. KGaA

Supervisory Board

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

BORUSSIA DORTMUND GESCHÄFTSFÜHRUNGS-GmbH

Management

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

CORPORATE STRUCTURE

BORUSSIA DORTMUND GmbH & Co. KGaA

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

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

SHARE PRICE PERFORMANCE IN FINANCIAL YEAR 2019/2020

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

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

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

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

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

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

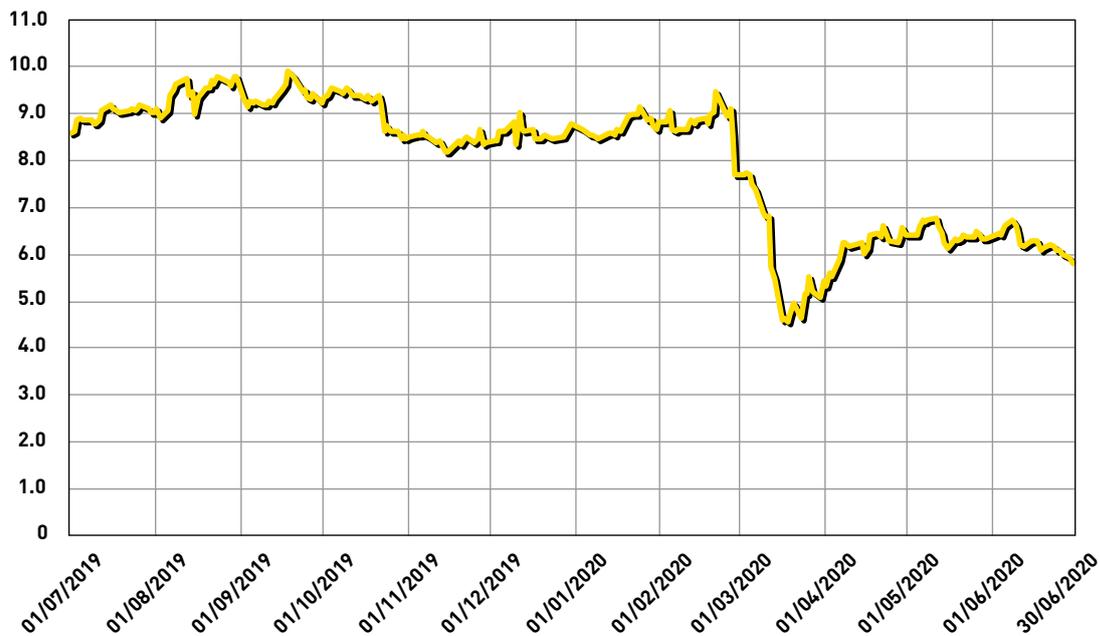
rated consolidated total operating proceeds of EUR 297.4 million (first half of the previous year: EUR 256.0 million), increased consolidated revenue to EUR 236.6 million (first half of the previous year: EUR 213.8 million) and generated net profit of EUR 3.0 million for the first half of the year (first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

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

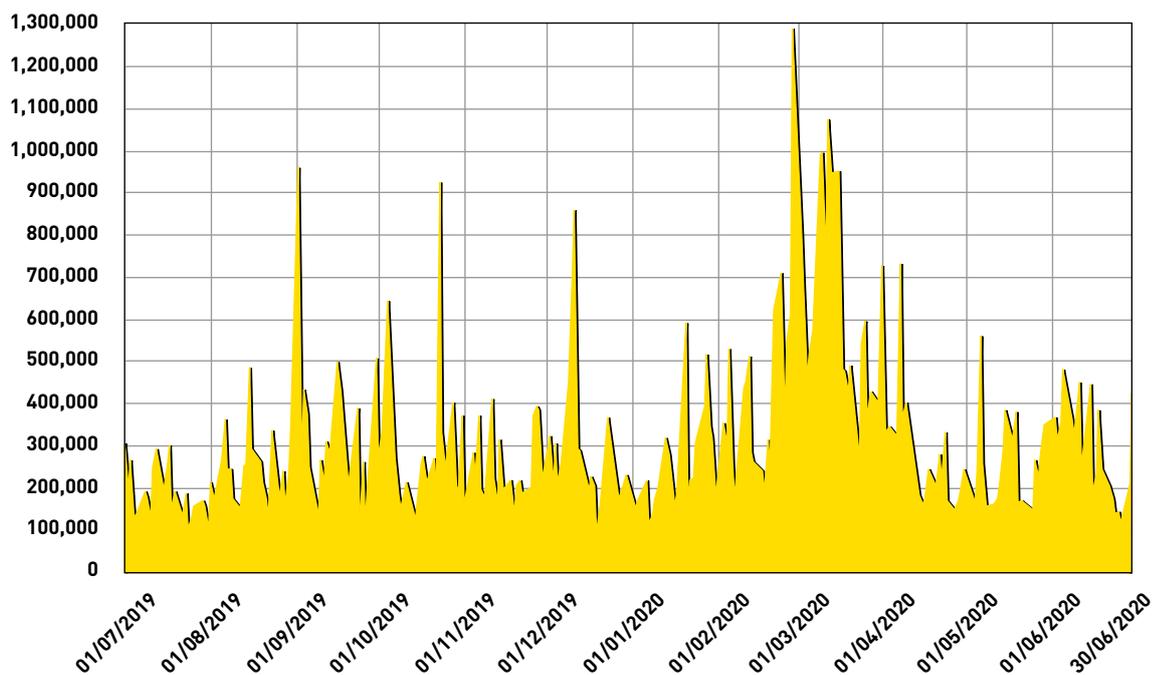
The COVID-19 pandemic then dominated the rest of the financial year, as BVB, the DFL and the 36 professional clubs took every effort to resume special match operations and play out the remainder of the 2019/2020 season behind closed doors in an attempt to avoid incurring even greater economic harm, in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

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

Share price performance (in EUR)



Revenue (Shares)



SHARE CAPITAL AND SHAREHOLDER STRUCTURE

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

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

SHAREHOLDINGS BY MEMBERS OF GOVERNING BODIES

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

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

INVESTOR RELATIONS

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORTING

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Transparency

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

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

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

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

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

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

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

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

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

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

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

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

Dortmund, 7 September 2020

On behalf of the Supervisory Board



Gerd Pieper
Chairman

On behalf of Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (CEO)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

DECLARATION OF CONFORMITY

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

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

DEVIATIONS FROM THE 2017 CODE

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

of the executive bodies nor would it provide appropriate motivation.

Re section 4.1.3 sentence 3 first half-sentence of the 2017 Code:

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

Re section 4.2.1 sentence 2 of the 2017 Code:

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

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

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

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

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

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

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

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

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

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

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

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

DEVIATIONS FROM THE 2020 CODE

Re recommendation A.2 sentence 2 first half-sentence of the 2020 Code:

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

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

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

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

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

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

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

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

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

Dortmund, 7 September 2020

On behalf of the Supervisory Board



Gerd Pieper
Chairman

On behalf of Borussia Dortmund Geschäftsführungs-GmbH



Hans-Joachim Watzke
Managing Director (CEO)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director