



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	30/06/2020	30/06/2019
ASSETS			
Non-current assets			
Intangible assets	(1)	229,667	163,710
Property, plant and equipment	(2)	193,037	184,001
Investments accounted for using the equity method	(3)	321	322
Financial assets	(4)	32	52
Trade and other financial receivables	(5)	12,680	9,743
Prepaid expenses	(14)	5,718	13,887
		441,455	371,715
Current assets			
Inventories	(6)	6,754	4,569
Trade and other financial receivables	(5)	36,520	30,061
Tax assets		375	1,801
Cash and cash equivalents	(7)	3,317	55,865
Prepaid expenses	(14)	9,901	15,026
Assets held for sale	(8)	19,645	21,034
		76,512	128,356
		517,967	500,071
EQUITY AND LIABILITIES			
Equity			
	(9)		
Subscribed capital		92,000	92,000
Reserves		213,560	263,032
Treasury shares		-113	-113
Equity attributable to the owners of the parent company		305,447	354,919
Non-current liabilities			
Lease liabilities	(11)	20,054	8,381
Trade payables	(12)	69,627	1,500
Other financial liabilities	(13)	0	7,204
Deferred tax liabilities		0	2,679
Deferred income	(14)	230	0
		89,911	19,764
Current liabilities			
Financial liabilities		8,031	0
Provisions	(10)	0	1,671
Lease liabilities	(11)	4,350	3,127
Trade payables	(12)	67,432	60,650
Other financial liabilities	(13)	39,115	33,655
Tax liabilities		40	811
Deferred income	(14)	3,641	25,474
		122,609	125,388
		517,967	500,071

The relevant sections in the notes to the consolidated statement of financial position can be found on the following pages:

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

EUR '000	Note	2019/2020	2018/2019*
Revenue	(15)	370,196	370,256
Net transfer income	(16)	40,160	82,881
Other operating income	(17)	9,195	7,746
Cost of materials	(18)	-22,392	-21,273
Personnel expenses	(19)	-215,157	-205,104
Depreciation, amortisation and write-downs	(20)	-106,130	-92,482
Other operating expenses	(21)	-119,010	-118,523
Result from operating activities		-43,138	23,501
Net income/loss from investments in associates	(3)	-1	13
Finance income	(22)	287	427
Finance costs	(22)	-3,731	-2,132
Financial result		-3,445	-1,692
Profit before income taxes		-46,583	21,809
Income taxes	(23)	2,630	-4,418
Consolidated net profit/net loss for the year		-43,953	17,391
Items that may not be reclassified to profit or loss			
Cash flow hedge			
- effective portion of the change in fair value		0	0
- reclassification to profit or loss		0	0
Other gains/losses incurred during the period, after taxes		0	0
Total comprehensive income		-43,953	17,391
Consolidated net profit/loss for the year attributable to:			
- Owners of the parent:		-43,953	17,391
- Minority interests:		0	0
Total comprehensive income attributable to:			
- Owners of the parent:		-43,953	17,391
- Minority interests:		0	0
Earnings per share (in EUR) (basic/diluted)	(30)	-0.48	0.19

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

The relevant sections in the notes to the consolidated statement of financial position can be found on the following pages:

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CONSOLIDATED STATEMENT OF CASH FLOWS

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

EUR '000	Note	2019/2020	2018/2019*
Profit before income taxes		-46,583	21,809
Depreciation, amortisation and write-downs of non-current assets	(20)	106,130	90,105
Gain/loss on disposals of non-current assets		-45,692	-97,168
Other non-cash expenses/income		-4,118	-4,236
Transfer costs		7,488	15,125
Interest income	(22)	-287	-427
Interest expense	(22)	3,731	2,132
Net income/loss from investments in associates	(22)	1	-13
Changes in other assets not classified as from investing or financing activities		807	-4,390
Changes in other liabilities not classified as from investing or financing activities		-18,818	10,063
Interest received		0	5
Interest paid		-3,326	-1,461
Income taxes		305	-2,834
Cash flows from operating activities		-362	28,710
Payments for investments in intangible assets		-152,736	-129,458
Net proceeds from transfers		108,090	115,815
Payments for investments in property, plant and equipment		-6,205	-9,933
Proceeds from disposals of property plant and equipment		62	61
Proceeds from financial assets		20	21
Payments for investments in financial assets		0	-15
Cash flows from investing activities		-50,769	-23,509
Dividend payments	(9)	-5,519	-5,519
Repayment of lease liabilities		-3,929	-3,281
Cash flows from financing activities		-9,448	-8,800
Change in cash and cash equivalents		-60,579	-3,599
Cash and cash equivalents at the beginning of the period		55,865	59,464
Cash and cash equivalents at the end of the period		-4,714	55,865
Definition of cash and cash equivalents			
Bank balances and cash-in-hand	(7)	3,317	55,865
Utilisation of overdraft facilities		-8,031	0
Cash and cash equivalents at the end of the period		-4,714	55,865

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

EUR '000	Reserves				Treasury shares	Equity attributable to the owners of the parent company	Consolidated equity
	Subscribed capital	Capital reserves	Other revenue reserves	Cash flow hedge			
<i>see note (9)</i>							
1 July 2018**	92,000	142,843	108,855	0	-113	343,585	343,585
Adjustment due to initial application of IFRS 9, after taxes**	0	0	-538	0	0	-538	-538
As at 1 July 2018 (adjusted)**	92,000	142,843	108,317	0	-113	343,047	343,047
Distributions to shareholders	0	0	-5,519	0	0	-5,519	-5,519
Acquisition of non-controlling interests without change of control	0	0	0	0	0	0	0
Sale of treasury shares	0	0	0	0	0	0	0
Transactions with shareholders	0	0	-5,519	0	0	-5,519	-5,519
Consolidated net profit for the year	0	0	17,391	0	0	17,391	17,391
Other gains/losses incurred during the period, after taxes	0	0	0	0	0	0	0
Total comprehensive income	0	0	17,391	0	0	17,391	17,391
30 June 2019*	92,000	142,843	120,189	0	-113	354,919	354,919
1 July 2019	92,000	142,843	120,189	0	-113	354,919	354,919
Distributions to shareholders	0	0	-5,519	0	0	-5,519	-5,519
Acquisition of non-controlling interests without change of control	0	0	0	0	0	0	0
Sale of treasury shares	0	0	0	0	0	0	0
Transactions with shareholders	0	0	-5,519	0	0	-5,519	-5,519
Consolidated net loss for the year	0	0	-43,953	0	0	-43,953	-43,953
Other gains/losses incurred during the period, after taxes	0	0	0	0	0	0	0
Total comprehensive income	0	0	-43,953	0	0	-43,953	-43,953
30 June 2020	92,000	142,843	70,717	0	-113	305,447	305,447

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements as at 30 June 2019.

** Figures in accordance with the Annual Report as at 30 June 2019.

NOTES to the consolidated financial statements of Borussia Dortmund GmbH & Co.
Kommanditgesellschaft auf Aktien, Dortmund for the financial year from 1 July 2019 to 30 June 2020
(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 17 August 2020, 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 2019 to 30 June 2020, 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 2019/2020 financial year:

Amendments to IFRS 9 – Prepayment Features with Negative Compensation

The amendments introduce a narrow-scope modification of the assessment criteria relevant for classifying financial assets. Under certain circumstances, financial assets that include prepayment features with negative compensation do not have to be measured at fair value through profit or loss but may instead be measured at amortised cost or at fair value through other comprehensive income.

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

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Recognition and measurement require the use of assumptions, for instance whether an entity should consider uncertain certain treatments separately or together

with other uncertainties, whether a probable or expected value should be used for the uncertainty and whether changes have occurred since the prior period. The risk of detection is insignificant with respect to accounting for uncertain items of the statement of financial position. Items are accounted for under the assumption that the taxation authorities will examine the treatment in question and that all relevant information is available to them.

The estimates, assumptions and judgements used must be disclosed in the notes. Furthermore, an entity must disclose the potential effect of the uncertainty as a tax-related contingency applying paragraph 88 of IAS 12.

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

Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that IFRS 9 must be applied to long-term interests in associates or joint ventures that are not accounted for using the equity method.

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

Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement

In accordance with IAS 19, pension obligations must be remeasured using updated assumptions whenever plan amendments, curtailments or settlements take place.

The amendments clarify that updated assumptions must be used to determine the service cost and net interest for the remainder of the period after the change to the plan.

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

Improvements to IFRS 2015 – 2017

Four IFRSs were amended in connection with the Annual Improvements to IFRSs (2015–2017 cycle). The amendments to IFRS 3 clarify that a company must apply the requirements for a business combination achieved in stages when it obtains control of a business in which it previously held an interest as a joint operation. The interest previously held by the acquirer must be remeasured.

IFRS 11 clarifies that an entity does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

The amendments to IAS 12 clarify that an entity accounts for all income tax consequences of dividend payments in the same way.

The amendments to IAS 23 clarify that when an entity calculates its borrowing costs it shall exclude from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

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 are applicable for the first time from 1 January 2020. Earlier application is permitted.

Borussia Dortmund currently does not expect any material impact on the consolidated financial statements.

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 are applicable for the first time from 1 January 2020. Earlier application is permitted.

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 14	Regulatory Deferral Accounts	30 January 2014	No EU endorsement planned	None
Amendments to IFRS 3	Definition of a Business	22 October 2018	1 January 2020	Immaterial
IFRS 17	Insurance Contracts	18 May 2017	1 January 2021	None
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
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	26 September 2019	1 January 2020	Immaterial

RESTATEMENTS IN ACCORDANCE WITH IAS 8.42

On 26 June 2020, the IFRS Interpretations Committee (Committee) published its final agenda decision on Player Transfer Payments (IAS 38) as part of its June 2020 IFRIC Update.

In accordance with that decision, transfer proceeds received must not be recognised as revenue. Borussia Dortmund had already adjusted its accounting to reflect the preliminary agenda decision of 16 December 2019. The final decision did not result in any material changes as compared to the preliminary decision. From now on, transfer proceeds will no longer be recognised as revenue, but rather as the net gain on disposal less any residual carrying amount and presented separately in the new "net transfer income" item in the statement of comprehensive income. Please refer to the statements under the heading "Accounting

policies". The change in presentation has no effect on the result from operating activities, total comprehensive income or earnings per share.

As a result, the presentation in the statement of cash flows was also changed. Going forward, transfer proceeds received will be reported net of any directly attributable payments made in connection with the respective transfer in the new "Net proceeds from transfers" item under cash flows from investing activities. These payments as well as changes in receivables and liabilities from transfer deals had previously been reported under cash flows from operating activities. The change does not have any impact on the free cash flow.

The retrospective restatement of the consolidated statement of comprehensive income and the consolidated statement of cash flows due to the matters presented is as follows:

Consolidated statement of comprehensive income from 1 July 2018 to 30 June 2019

EUR '000	Amount previously reported in 2018/2019 Annual Report	IAS 8.42 adjustment for IFRIC decision	Amount after adjustment
Revenue	489,524	-119,268	370,256
Net transfer income	0	82,881	82,881
Other operating expenses	-154,910	36,387	-118,523
Result from operating activities	23,501	0	23,501

Consolidated statement of cash flows from 1 July 2018 to 30 June 2019

EUR '000	Amount previously reported in 2018/2019 Annual Report	IAS 8.42 adjustment for IFRIC decision	Amount after adjustment
Gain/loss on disposals of non-current assets	538	-97,706	-97,168
Other non-cash expenses/income	17,326	-21,562	-4,236
Transfer costs	0	15,125	15,125
Changes in other liabilities not classified as from investing or financing activities	17,980	-22,370	-4,390
Changes in other liabilities not classified as from investing or financing activities	-635	10,698	10,063
Cash flows from operating activities	144,525	-115,815	28,710
Net proceeds from transfers	0	115,815	115,815
Cash flows from investing activities	-139,324	115,815	-23,509

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 2020 was as follows:

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.	Singapore	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.

Shareholdings (30 June 2019)

	Registered office	Share capital (EUR '000)	Shareholding %	Equity (EUR '000) as at 30/06/2019	Net profit/loss (EUR '000) 01/07/2018 to 30/06/2019
Fully consolidated companies:					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	69
besttravel Dortmund GmbH*	Dortmund	50	100.00	144	948
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	1,241
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	2,758
BVB Asia Pacific Pte. Ltd.	Singapore	66	100.00	161	30
Investments accounted for using the equity method					
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	789	41

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

** Included in the consolidated financial statements as at 30 June 2019 as an associate on the basis of the net profit/loss reported as at 31 December 2018.

No interim financial statements were prepared for Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (Orthomed GmbH) as at 30 June 2020 due to the fact that there would be no material impact on the consolidated financial statements.

Please refer to Note 31 for disclosures on transactions with related parties.

Consolidation principles

The annual financial statements of the companies included in the consolidated financial statements are prepared in accordance with IFRS, as adopted by the EU, using consistent accounting policies.

The end of the reporting period for the consolidated financial statements is the end of the reporting period of the parent company.

Intercompany revenues, income and expenses, and all receivables and liabilities between companies included in the consolidated financial statements are eliminated on consolidation.

Subsidiaries are entities controlled by the Group. The Group controls an entity if the Group is exposed to or has rights to variable returns from its investment in the entity and if the Group has the ability to influence those returns through its control over the entity. The financial statements of subsidiaries included in the consolidated financial statements are 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 now amounts to EUR 3,034 thousand (previously: EUR 6,223 thousand).

Land is carried at amortised cost and impaired if necessary.

Buildings and the remaining items of property, plant and equipment are measured at cost less depreciation. Repair and maintenance costs are recognised in the statement of comprehensive income as expenses in the current period.

Depreciation is calculated in order to allocate the cost of items of property, plant and equipment, less their estimated residual carrying amounts, on a straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss. Unless it is sufficiently clear that ownership will transfer to the Group at the end of the lease, leased assets are depreciated over the term of the lease or their useful lives, whichever is shorter. Land is not depreciated.

Straight-line depreciation is based on the following useful lives:

	Useful life in years
Stadium	40
Other buildings	20 to 50
Other equipment, operating and office equipment	7 to 15

The useful life and the method of amortisation are reviewed at the end of each financial year at a minimum.

Impairment testing

The useful lives of intangible assets and items of property, plant and equipment are all finite. If there are specific indications of possible impairment, individual assets are tested for impairment, 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 29 provides a reconciliation of the individual classes and categories of IFRS 9 to the items of the statement of financial position and the fair values of the financial instruments disclosed therein.

Under IFRS 9, financial assets are classified into one of three categories depending on their use: "at amortised cost"; "at fair value through other comprehensive income (FVOCI)"; and "at fair value through profit or loss (FVTPL)". Financial assets are classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The business model is determined at the portfolio level and is based on management's intentions and past transaction patterns. The cash flows are reviewed on the basis of the individual assets.

As a rule, financial assets are measured at fair value upon initial recognition. Transaction costs that are directly attributable to the acquisition of the financial asset are included in the initial recognition. Regular way purchases or sales of financial assets are accounted for at the trade date. The amount recognised in the statement of financial position is equal to the maximum exposure to credit risk. The subsequent measurement of financial assets depends on their classification:

To the extent possible, Borussia Dortmund uses observable market inputs to calculate the fair value of an asset or liability. Based on the input factors used in the valuation techniques, the fair values are assigned to different levels in the fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., the price) or indirectly (i.e., can be derived from the price).

Level 3: Unobservable inputs of the asset or liability.

If the inputs used to measure the fair value of an asset or liability can be categorised to different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Borussia Dortmund recognises reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the change occurs.

a) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets whose cash flows do not comprise solely payments of

principal and interest on the principal amount outstanding. This also includes financial assets that are not held in either the "hold" or "hold and sell" business models. Gains and losses resulting from these financial assets are recognised through profit or loss.

b) Financial assets measured at amortised cost

Financial assets that are measured at amortised cost are non-derivative financial assets with contractual payments that are solely payments of principal and interest on the principal amount outstanding and that are held for the purposes of collecting the contractual cash flows, such as trade receivables and cash and cash equivalents ("hold" business model). Cash and cash equivalents primarily include cash-in-hand, cheques and demand deposits with banks, which are subject to an insignificant risk of changes in value.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method less loss allowances. Gains and losses are recognised in the consolidated net profit when the loans and receivables are impaired or derecognised. The interest effect resulting from the application of the effective interest rate method and currency translation effects are also recognised in profit or loss.

c) Financial assets measured at fair value through other comprehensive income

Financial assets that are measured at fair value through other comprehensive income are non-derivative financial assets with contractual payments that are solely payments of principal and interest on the principal amount outstanding and that are held for the purposes of collecting the contractual cash flows and selling financial

assets, for instance to meet predefined liquidity targets ("hold and sell" business model). This category also includes equity instruments that are not held for trading and for which the option was exercised to recognise changes in fair value through other comprehensive income.

After initial measurement, the financial assets in this category are measured at fair value through other comprehensive income and any unrealised gains or losses are recognised in other comprehensive income. Upon disposal of debt instruments in this category, the cumulative gains and losses from the fair value measurement recognised in other comprehensive income are reclassified to profit or loss. Interest received from financial assets measured at fair value through other comprehensive income are generally recognised through profit or loss using the effective interest rate method. The changes in the fair value of equity instruments measured at fair value through other comprehensive income are not recognised through profit or loss and instead are reclassified to revenue reserves upon disposal. Dividends are recognised through profit or loss when the legal claim to payment arises.

Impairment of financial assets

At the end of every reporting period, a loss allowance is recognised for financial assets that are not measured at fair value through profit or loss. This loss allowance reflects the expected credit losses for these instruments. The expected credit loss model consists of three stages: a loss allowance is recognised at an amount equal to the 12-month expected credit losses (stage 1), at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition (stage 2), or in the case of credit-impaired financial assets (stage 3). A financial asset is considered to be credit-impaired once

there are objective substantial indications, such as the debtor's significant financial difficulty, or knowledge of an application for bankruptcy or past due event. If the asset appears uncollectible, it and the loss allowance are derecognised.

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset is derecognised when the contractual rights to receive the cash flows from the asset expire or the financial asset is transferred to another party. The latter case is deemed to have occurred when all significant risks and rewards associated with ownership of the asset have been transferred or when the control over the asset has been relinquished.

Financial liabilities

A financial liability is derecognised when the obligation underlying this liability is discharged or cancelled or expires. In cases where an existing financial liability is exchanged against another financial liability of the same lender with substantially different terms and conditions or if the terms and conditions of an existing liability are materially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. Any difference between the relevant carrying amounts is recognised in profit or loss.

Financial assets and liabilities are offset against one another and the net balance is presented in the consolidated statement of financial position if an entity a) has a legally enforceable right to set off the recognised amounts, and b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred taxes

Deferred taxes are recognised for all temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS financial statements (liability method). However, if in the course of a transaction which is not a business combination a deferred tax asset or liability arises from the initial recognition of an asset or liability which, at the time of the transaction, affects neither the accounting nor the taxable profit or loss, the deferred tax asset or liability is neither recognised at the date of initial recognition nor afterwards.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are also recognised for tax loss carry-forwards that can be utilised in subsequent periods, provided it is sufficiently probable that the deferred tax asset will be recoverable.

Deferred taxes relating to items recognised directly in other comprehensive income are also recognised in other comprehensive income.

Deferred tax assets and liabilities are netted against each other where the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets and liabilities are measured on the basis of the tax laws adopted by the Bundestag and ratified by the Bundesrat as at the end of the reporting period using a rate of income tax of 32.81% (previous year: 32.81%).

Inventories

Inventories consist principally of goods held by the subsidiary company BVB Merchandising GmbH. Inventories are measured at cost less any individual allowances for goods whose cost may not be recoverable.

Cash and cash equivalents

Cash includes cash on hand, cheques and balances with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to a known amount of cash or convertible to a known amount of cash within a period of less than three months and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured initially at fair value and subsequently at amortised cost.

Ordinary shares

The costs directly attributable to the issue of ordinary shares are deducted from equity (net of taxes, if applicable).

Treasury shares

The full amount paid for the purchase of treasury shares is reported as an item deducted from equity. The Company has the right to reissue treasury shares purchased by it at a later date. Proceeds of resale in excess of cost are added to capital reserves, while shortfalls are taken to retained earnings.

Provisions

Provisions must be recognised where a present legal or constructive obligation arises from a past event, which is expected to result in an outflow of resources and whose amount can be reliably estimated.

The Group applies these accounting procedures when recognising provisions for litigation and liability risks. The Group makes assumptions when determining the probability that liability will arise, the amount of any claims that could be asserted and the duration of any legal proceedings.

The recognition and measurement of provisions for litigation and liability risks entail uncertainty. The outcome of court proceedings in particular is difficult to predict. Therefore, provisions are measured on the basis of the best estimate of the liability and are recognised at the amount that will most likely be needed to settle the obligation as at the reporting date.

Financial liabilities

Financial liabilities falling under the scope of IFRS 9 are allocated to the category "other financial liabilities". These include borrowings and are recognised initially at fair value plus transaction costs directly attributable to the issue of the financial liabilities. Other financial liabilities are subsequently measured at amortised cost using the effective

interest method, where interest expense is measured in accordance with the effective interest rate. Please refer to Notes 11, 12, 13 and 25 *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.

Type of product/service	Primarily	Revenue recognition in accordance with IFRS 15
Match operations	Ticker 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.

Transfer proceeds are recognised as the net gain on disposal less any residual carrying amount and presented separately in the new "net transfer income" item in the statement of comprehensive income.

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 finance leases, trade payables, season tickets paid for in advance and payments from sponsors. The related risks arising comprise fair value risks (interest-rate-related cash flow risks), liquidity risks and credit risks. On the other hand, the Group is not exposed to any significant currency risks. The methods of managing the individual types of risk are described in the following.

Interest rate risks

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. The Group counters potential liquidity risk by taking up largely long-term financing. Appropriate corporate planning is used to constantly monitor short-term financing

components. Please refer to Note 28 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 25.

Significant decisions subject to judgement and estimates

The preparation of consolidated financial statements in accordance with IFRSs requires management to make significant decisions subject to judgement and estimates and assumptions concerning the application of financial accounting methods and the assets, liabilities, income and expenses recognised in those statements. Actual results may deviate from these estimates.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognised in the period in which the estimates were revised as well as in all subsequent periods concerned.

Information about significant decisions subject to judgment made while applying accounting methods that materially impact the amounts recognised in the consolidated financial statements are disclosed in the notes to the consolidated financial statements below.

This section on accounting policies includes detailed disclosures about property, plant and equipment. Notes 2 and 11 include detailed disclosures on finance leases.

Disclosures on deferred taxes are included, inter alia, in Note 23 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

	Borussia Dortmund KGaA		BVB Merchandising GmbH		BVB Event & Catering GmbH		besttravel Dortmund GmbH		Total	
	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019
EUR '000										
Total revenue	442,126	446,030	34,706	31,156	17,015	19,864	1,373	1,727	495,220	498,777
of which match operations	32,510	44,659	0	0	0	0	0	0	32,510	44,659
of which advertising	98,038	96,846	0	0	0	0	0	0	98,038	96,846
of which TV marketing	169,836	167,349	0	0	0	0	0	0	169,836	167,349
of which transfer deals	123,732	120,204	0	0	0	0	0	0	123,732	120,204
of which merchandising	0	0	34,706	31,156	0	0	0	0	34,706	31,156
of which conference, catering, miscellaneous	18,010	16,972	0	0	17,015	19,864	1,373	1,727	36,398	38,563
Total revenue	442,126	446,030	34,706	31,156	17,015	19,864	1,373	1,727	495,220	498,777
of which external	440,802	444,603	33,292	29,989	11,233	13,768	658	1,163	485,985	489,523
of which internal	1,324	1,427	1,414	1,167	5,782	6,096	715	564	9,235	9,254
Financial result	1,915	3,303	0	0	0	0	-4	-4	1,911	3,299
Share of profit from equity investments	0	0	0	0	0	0	0	0	0	0
of which profit and loss transfer	4,669	5,016	0	0	0	0	0	0	4,669	5,016
Net interest income/expense	-2,754	-1,713	0	0	0	0	-4	-4	-2,758	-1,717
of which interest expense	-2,934	-2,716	0	0	0	0	-4	-4	-2,938	-2,720
of which interest income	180	1,003	0	0	0	0	0	0	180	1,003
Depreciation, amortisation and write-downs	-105,547	-90,638	-1,426	-1,767	-34	-34	-21	-14	-107,028	-92,453
Segment profit before taxes*	-54,281	22,330	2,458	1,241	1,582	2,758	566	948	-49,675	27,277
Capital expenditure	160,453	139,035	403	243	7	7	1	118	160,864	139,403
Segment assets**	518,768	513,706	15,875	14,562	4,865	4,811	675	1,117	540,183	534,196
Segment liabilities	184,431	124,188	4,994	3,681	4,840	4,786	531	973	194,796	133,628
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 19,645 thousand (previous year: EUR 21,034 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	
	2019/2020	2018/2019	2019/2020	2018/2019*	2019/2020	2018/2019*
Total revenue	495,220	498,777	-125,024	-128,521	370,196	370,256
of which match operations	32,510	44,659	0	0	32,510	44,659
of which advertising	98,038	96,846	-33	-33	98,005	96,813
of which TV marketing	169,836	167,349	0	0	169,836	167,349
of which transfer deals	123,732	120,204	-123,732	-120,204	0	0
of which merchandising	34,706	31,156	-1,414	-1,167	33,292	29,989
of which conference, catering, miscellaneous	36,398	38,563	155	-7,117	36,553	31,446
Total revenue	495,220	498,777	-125,024	-128,521	370,196	370,256
of which external	485,985	489,523	-115,789	-119,267	370,196	370,256
of which internal	9,235	9,254	-9,235	-9,254	0	0
Financial result	1,911	3,299	-5,356	-4,991	-3,445	-1,692
Share of profit from equity investments	0	0	-1	13	-1	13
of which profit and loss transfer	4,669	5,016	-4,669	-5,016	0	0
Net interest income/expense	-2,758	-1,717	-686	12	-3,444	-1,705
of which interest expense	-2,938	-2,720	-793	588	-3,731	-2,132
of which interest income	180	1,003	107	-576	287	427
Depreciation, amortisation and write-downs	-107,028	-92,453	898	-29	-106,130	-92,482
Segment profit before taxes**	-49,675	27,277	3,092	-5,468	-46,583	21,809
Capital expenditure	160,864	139,403	-1,923	3	158,941	139,406
Segment assets***	540,183	534,196	-22,216	-34,125	517,967	500,071
Segment liabilities	194,796	133,628	17,724	11,524	212,520	145,152
Investments accounted for using the equity method	96	96	225	226	321	322
Income from investments in associates	0	0	-1	13	-1	13

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

** Before profit or loss transfer.

*** KGaA segment includes EUR 19,645 thousand (previous year: EUR 21,034 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	
	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019
Segments total	-49,675	27,277	540,183	534,196	194,796	133,628
Profit from other companies	94	114	0	0	0	44
Other IFRS adjustments	1,772	-7,469	-5,298	-3,098	0	2,679
IAS 8 adjustments	0	0	0	0	0	0
IFRS 16 adjustments	305	417	22,459	9,258	24,404	11,508
IFRS 9 adjustments	-42	604	-23	7	0	0
IFRS 15 adjustments	118	21	139	21	219	37
Consolidation of long-term financial assets	0	0	-11,621	-11,596	0	0
Stadium buildings plus other assets	845	845	-27,872	-28,717	0	0
Other consolidation	0	0	0	0	-6,899	-2,744
	-46,583	21,809	517,967	500,071	212,520	145,152

The Borussia Dortmund GmbH & Co. KGaA segment exceeded the 10% threshold stipulated in IFRS 8.34 for two customers by a total of EUR 172,660 thousand (previous year: two customers, EUR

168,135 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	
	2019/2020	2018/2019*	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019*
Total revenue – 10% threshold	172,660	168,135	0	0	0	0	0	0	172,660	168,135
of which match operations	74	0	0	0	0	0	0	0	74	0
of which advertising	51	50	0	0	0	0	0	0	51	50
of which TV marketing	169,080	166,220	0	0	0	0	0	0	169,080	166,220
of which merchandising	0	0	0	0	0	0	0	0	0	0
of which conference, catering, miscellaneous	3,455	1,865	0	0	0	0	0	0	3,455	1,865

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

Derivative financial instruments

As at 30 June 2020, no derivative financial instruments were used.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(1) Intangible assets

EUR '000	30/06/2020	30/06/2019
Player registrations	228,314	161,412
Industrial property rights and similar rights	1,353	2,298
	229,667	163,710

Intangible assets consist of purchased player registrations and computer software. At the end of the reporting period, the weighted remaining

contractual term of the significant player registrations amounted to 3.30 years (30 June 2019: 3.07 years).

Changes in intangible assets were as follows:

EUR '000	Player registrations	Industrial property rights and similar rights	Total
Cost			
As at 30 June 2018*	203,739	2,820	206,559
Additions	130,435	1,739	132,174
Disposals	11,278	458	11,736
Reclassification to assets held for sale	46,388	0	46,388
As at 30 June 2019	276,508	4,101	280,609
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
Depreciation, amortisation and write-downs			
As at 30 June 2018*	84,298	1,919	86,217
Additions	71,642	342	71,984
Disposals	8,788	458	9,246
Reclassification to assets held for sale, disposals	32,056	0	32,056
As at 30 June 2019	115,096	1,803	116,899
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
Carrying amounts			
As at 30 June 2018*	119,441	901	120,342
As at 30 June 2019	161,412	2,298	163,710
As at 30 June 2020	228,314	1,353	229,667

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements as at 30 June 2019.

(2) Property, plant and equipment

EUR '000	30/06/2020	30/06/2019
Land, land rights and buildings including buildings on third-party land	152,769	156,013
Other equipment, operating and office equipment	40,268	27,988
	193,037	184,001

Property, plant and equipment primarily relates to the stadium, the BVB FanWelt service centre, the Rheinlanddamm plot of land and the administration building located there, and the plot of land at Strobelallee 81. The facilities at the training ground in Dortmund-Brackel, the youth academy, the football academy, the catering areas at the stadium, the administrative headquarters and the associated operating and office equipment constitute further components of this item.

In the current financial year, investments were made in the training ground in Dortmund-Brackel, in SIGNAL IDUNA PARK and in the administration building. In connection with the project to expand BVB's training centre, a new power plant and a sprinting hill were constructed at the Dortmund-Brackel training ground. In addition, investments were made in technical equipment so as to further improve training capabilities.

At SIGNAL IDUNA PARK, investment centred around the security infrastructure and the catering areas.

Various construction projects were carried out at the Rheinlanddamm administration building to improve technical facilities and security.

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 2020, the following right-of-use assets related to the corresponding items in the statement of financial position:

	Net carrying amounts
EUR '000	30/06/2020
Buildings	16,523
Operating and office equipment	5,936
	22,459

In the previous year, assets had net carrying amounts of EUR 9,258 thousand, of which EUR 7,077 thousand was attributable to buildings and EUR 2,181 thousand to operating and office equipment.

Borussia Dortmund reported additions for right-of-use assets recognised under property, plant and equipment amounting to EUR 16,830 thousand. The additions were offset by EUR 2 thousand in disposals and EUR 3,627 thousand in depreciation (previous year: EUR 3,063 thousand).

Current and non-current lease liabilities are presented minus payments already made.

The interest expense incurred for these items amounted to EUR 571 thousand (previous year: EUR 599 thousand) and are reported under finance costs in the consolidated statement of comprehensive income.

There is an option to purchase the training ground in Dortmund-Brackel once the lease there expires in 2023.

Essentially all of the risks and opportunities in connection with the leased assets have been transferred to Borussia Dortmund.

Changes in property, plant and equipment were as follows:

EUR '000	Land, land rights and buildings, including buildings on third-party land	Other equipment, operating and office equipment	Total
Cost			
As at 30 June 2018	254,136	63,600	317,736
Additions	2,887	13,843	16,730
Disposals	0	736	736
As at 30 June 2019	257,023	76,707	333,730
Additions	2,848	20,416	23,264
Disposals	0	1,124	1,124
As at 30 June 2020	259,871	95,999	355,870
Depreciation, amortisation and write-downs			
As at 30 June 2018	95,239	41,804	137,043
Additions	5,771	7,052	12,823
Disposals	0	137	137
As at 30 June 2019	101,010	48,719	149,729
Additions	6,092	7,850	13,942
Disposals	0	838	838
As at 30 June 2020	107,102	55,731	162,833
Carrying amounts			
As at 30 June 2018	158,897	21,796	180,693
As at 30 June 2019	156,013	27,988	184,001
As at 30 June 2020	152,769	40,268	193,037

(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 2019 is reported here.

EUR '000	30/06/2020	30/06/2019
Non-current assets	641	606
Current assets	519	462
Non-current liabilities	177	102
Current liabilities	197	177
Net assets	786	789
Group's share of net assets (33.33%)	262	263
Goodwill	59	59
Dividends received after 31 December 2019	0	0
Carrying amount of interest in associate	321	322
Revenue	4,008	3,947
Profit/loss from continuing operations	-3	41
Comprehensive income (33.33%)	-1	13
Group's share of comprehensive income (33.33%)	-1	13

EUR '000	30/06/2020	30/06/2019
Cash flows from operating activities	118	143
Cash flows from investing activities	-168	-242
Cash flows from financing activities	77	39
Net change in cash and cash equivalents	27	-60

(4) Financial assets

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

Please refer to Note 29 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 2020, the asset for the right of return of products amounted to EUR 139 thousand (previous year: EUR 21 thousand).

(5) Trade and other financial receivables

Trade and other financial receivables amounted to EUR 49,200 thousand (previous year: EUR 39,804 thousand) of which EUR 1,996 thousand (previous year: EUR 1,020 thousand) related to other financial receivables and EUR 47,204 thousand to trade

receivables (previous year: EUR 38,784 thousand). Trade receivables included EUR 33,204 thousand in transfer receivables (previous year: EUR 32,641 thousand).

Non-current

EUR '000	30/06/2020	30/06/2019
Trade receivables	12,680	9,743

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

amortised cost. Please refer to Note 29 for information on the fair values of financial assets..

Current

EUR '000	30/06/2020	30/06/2019
Trade receivables	38,506	30,893
Less allowances	-3,982	-1,852
Net trade receivables	34,524	29,041
Other financial receivables	1,996	1,020
Receivables from related parties	0	0
	36,520	30,061

Current trade receivables and other assets do not bear interest and mostly have a maturity of up to

three months. Please refer to Note 29 for information on the fair values of financial assets.

(6) Inventories

EUR '000	30/06/2020	30/06/2019
Inventories/merchandise	7,342	5,235
Less write-downs	-588	-666
Net inventories	6,754	4,569

The carrying amount of inventories carried at fair value less costs to sell was EUR 1,645 thousand (previous year: EUR 553 thousand).

Impairments of inventories are carried in the cost of materials.

(7) Cash and cash equivalents

EUR '000	30/06/2020	30/06/2019
Bank balances and cash-in-hand	3,317	55,865

Bank balances bear interest at variable rates of interest applying to demand deposits.

(8) Assets held for sale

Non-current assets are classified as "held for sale" and "measured at the lower of carrying amount and fair value less costs to sell" if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

By virtue of contractual arrangements and current transfer market conditions relating to the pending sale of transfer rights in one of the upcoming transfer windows, non-current intangible assets

were written down by EUR 3,903 thousand (previous year: EUR 13,809 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 19,645 thousand (previous year: EUR 21,034 thousand). The write-down was recognised under depreciation and amortisation.

(9) Equity

On 25 November 2019, the Annual General Meeting of the Company resolved the following:

The net retained profits of EUR 25,844,185.35 reported in the Company's annual financial statements for the 2018/2019 financial year were used as follows:

- EUR 5,518,866.00 was used to distribute to the limited liability shareholders a dividend of EUR 0.06 per share carrying dividend rights.
- the remaining EUR 20,325,319.35 was transferred to other revenue reserves.

The dividend was paid from 27 November 2019.

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 2019/2020.

Changes in equity and non-controlling interests are presented in the consolidated statement of changes in equity.

Subscribed capital

The subscribed capital of Borussia Dortmund GmbH & Co. KGaA is divided into no-par value shares with a notional share in the share capital of EUR 1.00 per share, with each share bearing

equal rights. The shares are fully paid-up; the number of shares issued and the number of shares outstanding changed as follows:

Number of shares	Issued	Treasury shares	Outstanding
Balance as at 1 July 2018	92,000,000	-18,900	91,981,100
Change in treasury shares	0		
as at 30 June 2019	92,000,000	-18,900	91,981,100
Change in treasury shares	0		
as at 30 June 2020	92,000,000	-18,900	91,981,100

In the period between the date of admission of the Company's shares to trading (31 October 2000) and the end of the reporting period, the Company acquired a total of 34,000 no-par value shares and sold 15,100 no-par value shares off-market in the form of printed physical share certificates. At the end of the reporting period, the Company's holding of its own securities consisted of 18,900 no-par value shares. This represented 0.021% of the share capital.

By virtue of a resolution by the Annual General Meeting on 24 November 2014, the Company was authorised until 23 November 2019, subject to the consent of the Supervisory Board, to increase the share capital by a maximum of EUR 23,000,000.00 in total by issuing new no-par value ordinary bearer shares against cash and/or in-kind contributions on one or more occasions. This authorisation was not utilised and has lapsed.

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	30/06/2020	30/06/2019
Equity of shareholders	305,447	354,919
Share in total capital	58.97 %	70.97 %

(10) Provisions

Due to the reversal of the EUR 1,671 thousand provision for litigation and liability risks relating to legal proceedings, provisions were reduced to EUR 0 thousand as at 30 June 2020.

This was done due to new information coming to light indicating positive developments in the legal proceedings.

Because the legal dispute was decided in favour of Borussia Dortmund in the first instance, it is expected that the proceedings will have a positive outcome in the second instance as well.

(11) Lease liabilities

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

EUR '000	30/06/2020	30/06/2019
Less than 1 year	5,135	3,614
Between 1 and 5 years	13,886	8,428
More than 5 years	8,569	838
	27,590	12,880
Future finance charges from leases	-3,186	-1,372
Present value of liabilities from leases	24,404	11,508

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

EUR '000	30/06/2020	30/06/2019
Less than 1 year	4,350	3,127
Between 1 and 5 years	12,943	7,591
More than 5 years	7,111	790
	24,404	11,508

(12) Trade payables

Trade payables amounted to EUR 137,059 thousand (previous year: EUR 62,150 thousand), of which EUR 120,287 thousand (previous year: EUR 48,521

thousand) related to liabilities from transfer deals. The increase resulted primarily from new obligations for the professional squad.

(13) Other financial obligations

EUR '000	30/06/2020	30/06/2019
Non-current		
Other	0	7,204
	0	7,204
Current		
Other taxes	9,949	8,106
Other	29,166	25,549
	39,115	33,655
Total other financial liabilities	39,115	40,859

Current other financial liabilities increased by EUR 5,460 thousand. This increase was due mainly to the fact that services in the match operations division were not rendered because the COVID-19 pandemic meant that spectators were not admitted to the stadium when Bundesliga match play resumed. In addition, other financial liabilities include refund

liabilities amounting to EUR 219 thousand (previous year: EUR 38 thousand). The refund liability relates to the customer's right to return products within 30 days of purchase. A refund liability and a corresponding adjustment of revenue is recognised at the time of sale for products for which a return is expected.

(14) Prepaid expenses and deferred income

Prepaid expenses

EUR '000	30/06/2020	30/06/2019
Non-current		
Deferred income related to professional squad	4,569	12,799
Insurance premiums	2	16
Other advance payments	1,147	1,072
	5,718	13,887
Current		
Deferred income related to professional squad	6,560	10,274
Insurance premiums	604	713
Other advance payments	2,737	4,039
	9,901	15,026

Deferred income

EUR '000	30/06/2020	30/06/2019
Non-current		
Advance payments received from sponsors	230	0
	230	0
Current		
Advance payments for agency and marketing rights	0	4,000
Advance payments received from ticket sales	2	16,718
Advance payments received from sponsors	2,931	3,365
Other advance payments	708	1,391
	3,641	25,474

Current deferred income as reported amounted to EUR 3,641 thousand (previous year: EUR 25,474 thousand), and consisted primarily of proceeds from sponsoring agreements relating to the 2020/2021 season.

Because of the COVID-19 pandemic, it was uncertain at the reporting date whether and under what circumstances matches in the 2020/2021 season would be played out before spectators. As a result,

the sale of season tickets was suspended, meaning that in contrast to the previous year these are not reported under deferred income.

The licence fees collected by the marketing firm SPORTFIVE Germany GmbH (formerly Lagardère Sports Germany GmbH) in financial year 2007/2008 to be amortised over the 12-year term of the agency licensing agreement were recognised under deferred income for the final time during the reporting period.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(15) Revenue

EUR '000	2019/2020	2018/2019*
Match operations	32,510	44,659
Advertising	98,005	96,813
TV Marketing	169,836	167,349
Merchandising	33,292	29,989
Conference, catering, miscellaneous	36,553	31,446
	370,196	370,256

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

Revenue is generated primarily in Germany. It includes prior-period revenue of EUR 785 thousand (previous year: EUR 4,706 thousand). Prior-period revenue relates primarily to income from TV marketing and conference, catering and miscellaneous income.

(16) Net transfer income

EUR '000	2019/2020	2018/2019*
Gross transfer proceeds	116,688	119,268
Transfer costs	-7,488	-15,125
Net transfer proceeds	109,200	104,143
Residual carrying amount	-69,040	-21,262
Net transfer income	40,160	82,881

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

(17) Other operating income

Other operating income increased by EUR 1,449 thousand year on year to EUR 9,195 thousand and primarily includes income recognised due to unclaimed refunds amounting to EUR 1,831 thousand, income from insurance reimbursements amounting to EUR 954 thousand and prior-period income of EUR 5,033 thousand (previous year: EUR 3,650 thousand), of which EUR 3,016 thousand from the reversal of provisions and derecognition of liabilities.

(18) Cost of materials

Cost of materials increased by EUR 1,119 thousand to EUR 22,392 thousand. This item includes the cost of goods sold for BVB Event & Catering GmbH and BVB Merchandising GmbH.

(19) 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	2019/2020	2018/2019
Wages and salaries	206,939	197,681
Social security contributions	8,218	7,423
	215,157	205,104

During financial year 2019/2020, EUR 2,750 thousand was paid into the German statutory retirement pension system (previous year: EUR 2,641 thousand).

(20) Depreciation and amortisation

EUR '000	2019/2020	2018/2019
Amortisation of intangible assets	92,188	79,659
Depreciation of property, plant and equipment	13,942	12,823
	106,130	92,482

(21) Other operating expenses

EUR '000	2019/2020	2018/2019*
Match operations	47,211	47,318
Advertising	26,989	25,673
Transfer deals	4,654	7,225
Retail	6,463	5,981
Administration	25,352	26,201
Other	8,341	6,125
	119,010	118,523

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

Other operating expenses include prior-period expenses in the amount of EUR 776 thousand (previous year: EUR 61 thousand).

(22) Financial result

EUR '000	2019/2020	2018/2019
Net income/loss from investments in associates <i>(see Note (3))</i>	-1	13
Finance income		
Interest income in accordance with IFRS 9	167	291
Other interest income	120	136
	287	427
Finance costs		
Discounting expenses and other interest	-2,879	-1,303
Interest expenses for lease liabilities	-571	-599
Interest expenses in accordance with IFRS 9	-281	-230
	-3,731	-2,132
	-3,445	-1,692

(23) Income taxes and deferred taxes

All tax liabilities (EUR 40 thousand; previous year: EUR 811 thousand) are current.

The deferred tax assets and liabilities reported in the consolidated statement of financial position relate to the following items:

EUR '000	Net as at 30/06/2019	Recognised in profit or loss	Recognised in OCI	Net as at 30/06/2020	Deferred tax assets	Deferred tax liabilities
Intangible assets	11	5,466	0	5,477	5,477	0
Property, plant and equipment	-5,085	-1,081	0	-6,166	61	-6,227
Trade receivables and other assets	235	40	0	275	275	0
Trade payables	-9,716	-6,970	0	-16,686	639	-17,325
Tax loss carry-forwards	11,876	5,224	0	17,100	17,100	0
Total	-2,679	2,679	0	0	23,552	-23,552

EUR '000	Net as at 30/06/2018*	Recognised in profit or loss	Recognised in OCI	Net as at 30/06/2019	Deferred tax assets	Deferred tax liabilities
Intangible assets	6,792	-6,781	0	11	11	0
Property, plant and equipment	-4,198	-887	0	-5,085	116	-5,201
Trade receivables and other assets	0	-28	263	235	235	0
Trade payables	-11,106	1,390	0	-9,716	738	-10,454
Tax loss carry-forwards	8,512	3,364	0	11,876	11,876	0
Total	0	-2,942	263	-2,679	12,976	-15,655

* Change in prior-year items. See also "Restatements in accordance with IAS 8" in the notes to the consolidated financial statements as at 30 June 2019.

Deferred taxes recognised in other comprehensive income in the previous year resulted in each case from cash flow hedges.

The income tax expense was made up as follows:

EUR '000	2019/2020	2018/2019
Income taxes		
Current period	-40	-1,742
Prior period	-9	266
Deferred tax benefit/expense in connection with the creation or reversal of temporary differences	-2,545	-6,306
Tax loss carryforwards not yet utilised	5,224	3,364
	2,630	-4,418

At the end of the reporting period, the Group had corporation tax loss carry-forwards amounting to EUR 44,270 thousand (previous year: EUR 0 thousand) and trade tax loss carry-forwards amounting to EUR 29,492 thousand (previous year: EUR 0 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	2019/2020	2018/2019
Consolidated net profit before income taxes	-46,583	21,809
<i>Theoretical tax rate in %</i>	<i>32.81</i>	<i>32.81</i>
Expected income tax payment/benefit	15,284	-7,156
Effects from tax additions and subtractions	1,240	2,486
Effect of supplementary tax accounts	0	0
Losses in the financial year for which no deferred taxes were recognised	0	0
Change in ability to utilise tax loss carry-forwards	-16,564	2,928
Change in deferred taxes	2,679	-2,942
Prior-year taxes	-9	266
Tax implications of accounting using the equity method	0	0
Tax payment/benefit as reported in the consolidated statement of comprehensive income	2,630	-4,418
<i>Actual tax rate in %</i>	<i>-5.64</i>	<i>20.26</i>

(24) Consolidated statement of cash flows

Cash and cash equivalents reported in the statement of financial position amounted to EUR 3,317 thousand (previous year: EUR 55,865 thousand). In addition, liabilities to banks amounting to EUR 8,031 thousand (previous year: EUR 0 thousand) were reported during the period under review.

amounted to EUR -50,769 thousand (previous year: EUR -23,509 thousand).

Net cash flows from investing activities included transfer proceeds, netted directly against payments linked to transfers amounting to EUR 8,955 thousand (previous year: EUR 25,823 thousand).

Cash flows from operating activities amounted to EUR -362 thousand (previous year: EUR 28,710 thousand) and cash flows from investing activities

The changes in financial liabilities reported under cash flows from financing activities were as follows:

Reconciliation of change in liabilities to cash flows from financing activities in accordance with IAS 7.44

EUR '000	Equity			Liabilities/derivatives		
	Subscribed capital	Reserves	Treasury shares	Lease liabilities	Other financial liabilities	Total
Balance as at 30 June 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
Other changes 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

(25) 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	2019/2020	2018/2019
Financial assets, receivables and other financial receivables	49,607	41,657
Cash and cash equivalents	3,317	55,865

When reporting trade receivables, Borussia Dortmund uses the simplified approach whereby expected credit losses are recognised over the entire remaining term upon recognition. Under the simplified approach, Borussia Dortmund calculates expected credit losses broken down by risk groups and taking into account historical loss rates. The allocation to the respective risk groups is based on the shared credit risk characteristics. At Borussia Dortmund, these are receivables from transfer deals on the one hand, and other trade receivables related primarily to ticketing, merchandising and sponsorships on the other. Credit loss rates specific to the risk clusters are calculated on the basis of the historical credit loss rates for the past three financial years and taking into account forward-looking macroeconomic indicators (gross domestic product) 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. These are hedged via transfer rights.

The change in loss allowances on the basis of the expected credit losses for trade receivables as at 30 June 2020 is presented in the table below:

EUR '000	2019/2020	2018/2019
Loss allowances as at 1 July in accordance with IAS 39	0	1,500
Adjustment in connection with the initial application of IFRS 9	0	11
Loss allowances as at 1 July in accordance with IFRS 9	1,852	1,511
Transfers recognised in profit or loss	2,552	860
Reversals recognised in profit or loss	-427	-94
Items recognised outside profit or loss	0	-431
Loss allowances in accordance with IFRS 9	5	6
Loss allowances as at 30 June	3,982	1,852

The maturities of trade receivables as at the end of the reporting period were as follows:

Maturity analysis of receivables

EUR '000	2019/2020	2018/2019
Not yet due	48,767	38,437
Less than 30 days past due	358	1,301
Between 30 and 89 days past due	74	66
More than 90 days past due	1	0
	49,200	39,804

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 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

30 June 2019

EUR '000	Gross carrying (EUR '000)	Default rate (%)	Expected credit losses (EUR '000)
Receivables from transfer deals	28,175	0.05	14
Other trade receivables	6,146	0.05	3
Total	34,321		17

(26) 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 2020. 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 29.

Carrying amounts of non-derivative interest-bearing financial instruments

EUR '000	30/06/2020		30/06/2019	
	Fixed interest	Variable interest	Fixed interest	Variable interest
Financial assets, receivables and other financial receivables	49,607	0	41,657	0
Financial liabilities from leases	24,404	0	11,508	0

(27) 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	2019/2020	2018/2019
Financial assets measured at amortised cost	-3,276	-923
Of which net interest expense/income	-1,142	-156
Financial assets measured at fair value through profit or loss	-115	58
Of which net interest expense/income	-115	61
Financial liabilities measured at amortised cost	-2,187	-1,610
Of which net interest expense/income	-2,187	-1,610
Net gains/losses from financial instruments	-5,578	-2,475
Of which net interest expense/income	-3,444	-1,705

(28) 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 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

Maturities of contractual cash flows from financial liabilities in 2019

EUR '000	Lease liabilities	Trade and other financial liabilities	Total
2019/2020	3,614	94,305	97,919
2020/2021	2,572	5,159	7,731
2021/2022	2,448	3,485	5,933
2022/2023	2,569	60	2,629
2023/2024	858	0	858
2024 and beyond	818	0	818
	12,879	103,009	115,888

(29) 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 2020:

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		
Non-current lease liabilities	20,054	n/a
Non-current trade payables	69,627	69,627
Current financial liabilities	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

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2019	Fair value 30/06/2019
Assets		
At amortised cost		
Non-current financial assets	52	52
Non-current trade and other receivables	5,263	5,263
Current trade and other receivables	30,061	30,061
Cash and cash equivalents	55,865	55,865
At fair value through profit or loss		
Receivables intended for factoring	4,480	4,480
Total	95,721	95,721

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2019	Fair value 30/06/2019
Liabilities		
At amortised cost		
Non-current lease liabilities	8,381	n/a
Non-current trade payables	1,500	1,500
Other trade payables	7,204	7,204
Current lease liabilities	3,127	n/a
Current trade payables	60,650	60,650
Other current financial liabilities	33,655	33,655
Total	114,517	103,009

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 2020: 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 2019)	4,480
Additions	4,750
Disposals	0
Gains/losses recognised through profit or loss	-115
Other changes in connection with initial application	0
Carrying amount of receivables intended for factoring (30 June 2020)	9,115

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.

(30) 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.

(31) 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 35 and 37 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	2019/2020	2018/2019
Transactions with BV. Borussia 09 e.V. Dortmund		
Rental income	329	329
Income from other services	411	384
Income from ticket sales	104	10
Transactions with Borussia Dortmund Geschäftsführungs-GmbH		
Expense from costs recharged	3,917	6,099
of which from executive remuneration falling due	3,588	5,273
Transactions with Orthomed GmbH		
Expense from other services	322	300

EUR '000	30/06/2020	30/06/2019
Other current and non-current assets		
Intercompany account with BV. Borussia 09 e.V. Dortmund	39	0
Other current liabilities		
Intercompany account with BV. Borussia 09 e.V. Dortmund	0	451
Intercompany account with Borussia Dortmund Geschäftsführungs-GmbH	1,933	1,335

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 213 thousand (previous year: EUR 244 thousand). These transactions were conducted at arm's length.

(32) Other financial obligations

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.

EUR '000		Due after		
30/06/2019	Total	less than 1 year	1-5 years	more than 5 years
Rental and lease payments	972	429	418	125
Marketing fees	58,311	21,962	23,777	12,572
Other obligations	3,746	907	1,845	994
	63,029	23,298	26,040	13,691
Purchase commitments	147,450	72,850	74,600	0

In financial year 2018/2019, EUR 1,045 thousand in rental and lease payments were expensed for leases within the meaning of IFRS 16.6.

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 41,186 thousand (previous year: EUR 57,236 thousand) in variable payment obligations under existing agreements with conditions precedent were reported as at 30 June 2020, of which EUR 26,604 thousand (previous year: EUR 31,983 thousand) were due in less than one year.

(33) Events after the end of the reporting period

Transfer deals

After already being on loan for the 2019/2020 season, Ömer Toprak has now made his move to SV Werder Bremen permanent.

Borussia Dortmund and André Schürrle – most recently on loan to the Russian first-division club FC Spartak Moscow – have mutually agreed to rescind the contract which had an original term expiring in 2021.

Other

The existing EUR 60,000 thousand overdraft facility was expanded by EUR 60,000 thousand.

Match operations

On 10 July 2020, the DFB Executive Committee adopted the new fixture calendar for the 2020/2021 season. This stipulated that Bundesliga matches would start on 18 September 2020. The 34th and final Bundesliga match day is scheduled for 22 May 2021.

The DFB Cup will start with the first round one week before the Bundesliga from 11 September 2020.

The DFL Super Cup between Borussia Dortmund and Bayern Munich will be played on 30 September 2020.

The dates for the UEFA Champions League have also already been set: the first match day of the group stage will be played on 20/21 October 2020.

(34) Average number of salaried employees

	2019/2020	2018/2019
Total	902	833
of which in the Athletics Department	273	269
of which trainees	15	16
of which other	614	548

(35) Management

Management remuneration

EUR '000	2019/2020	2018/2019
Dipl.-Kfm. Hans-Joachim Watzke (Chairman)		
Fixed components		
Fixed remuneration	1,802	1,900
Other remuneration	40	38
Dipl.-Kfm. Thomas Treß		
Fixed components		
Fixed remuneration	860	934
Other remuneration	72	69
Carsten Cramer		
Fixed components		
Fixed remuneration	864	871
Other remuneration	42	52
	3,680	3,864

The members of management received remuneration within the meaning of IAS 24.17 (a) in the 2019/2020 financial year.

thousand in performance-based remuneration, Thomas Treß received EUR 344 thousand and Carsten Cramer received EUR 344 thousand.

The management did not receive any performance-based remuneration for the 2019/2020 financial year. In the previous year, Hans-Joachim Watzke received EUR 720

thousand in employer contributions to the German statutory retirement pension system were incurred (previous year: EUR 22 thousand).

(36) Auditors' fees

These were reported in accordance with the classification set out in IDW AcP HFA 36.

EUR '000	2019/2020	2018/2019
Audit services	256	220
Other audit-related work	50	93
Tax advisory services	2	6
Other services	2	392

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.

(37) Supervisory Board

The names of the members of the Company's Supervisory Board in the 2019/2020 financial year, their right to remuneration, their occupations and their further responsibilities on other management bodies are listed below:

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. KGaA

Gerd Pieper	Dr. Werner Müller	Christian Kullmann	Bernd Geske	Peer Steinbrück	Ulrich Leitemann	Bjørn Gulden	Dr. Reinhold Lunow	Silke Seidel	Bodo Löttgen
Chairman	Deputy Chairman (until 15 July 2019, deceased)	Deputy Chairman (since 28 August 2019)							(since 25 November 2019)

RIGHT TO REMUNERATION IN 2019/2020 (EUR '000) (the members received all remuneration in accordance with IAS 24.17 (a) in the 2019/2020 financial year).

48 (previous year: EUR 24 thousand)	6 (previous year: EUR 18 thousand)	34 (previous year: EUR 12 thousand)	24 (previous year: EUR 12 thousand)	14 (previous year: EUR 0 thousand)					
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OCCUPATIONS (as at 30 June 2020)

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 (SIGNAL Krankenversicherung a.G., Dortmund; SIGNAL IDUNA Lebensversicherung a.G., Hamburg; SIGNAL IDUNA Unfallversicherung a.G., Dortmund)	Chief Executive Officer of PUMA SE, Herzogenaurach	Medical Director of Praxisklinik Bornheim, Bornheim	Senior Executive at Dortmund Stadwerke 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
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OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 30 June 2020)

Member of the Advisory Board of Borussia Dortmund GeschäftsführungsgmbH, Dortmund	Chairman of the Supervisory Board of Clear-VAT Aktiengesellschaft, Berlin	Member and Chairman of the Supervisory Board of Dortmund Volksbank eG, Dortmund	Member of the Supervisory Board of Tchibo GmbH, Hamburg
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(38) 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.

(39) 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 2019/2020:

Lansdowne European Absolute Opportunities Fund Limited, George Town, Grand Cayman, Cayman Islands, notified us on 26 May 2020 that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.001% on 29 April 2020 (2,761,052 voting rights/shares) and that all of these voting rights were attributable to Lansdowne European Absolute Opportunities Fund Limited pursuant to § 34 WpHG via Lansdowne European Absolute Opportunities Master Fund Limited as the shareholder, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- Lansdowne European Absolute Opportunities Fund Limited
- Lansdowne European Absolute Opportunities Master Fund Limited with a voting interest of 3.001%

Mr Ralph Dommermuth notified us on 2 March 2020 that his voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 5.004% on 2 March 2020 (4,604,000 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 5.004%

RAG-Stiftung, Essen, Germany, notified us on 19 February 2020 that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 9.83% on 14 February 2020 (9,046,509 voting rights/shares) and that all of these voting rights were attributable to RAG-Stiftung pursuant to § 34 WpHG via Evonik Industries AG, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- RAG-Stiftung
- Evonik Industries AG with a voting interest of 9.83%

Dimensional Holdings Inc., Austin, Texas, USA, notified us on 27 January 2020 that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 2.996% on 22 January 2020 (2,756,130 voting rights/shares) and that all of these voting rights were attributable to Dimensional Holdings Inc. pursuant to § 34 WpHG, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- (1)
 - Dimensional Holdings Inc.
 - Dimensional Fund Advisors LP
 - Dimensional Fund Advisors Ltd.
- (2)
 - Dimensional Holdings Inc.
 - Dimensional Fund Advisors LP
 - DFA Canada LLC
 - Dimensional Fund Advisors Canada ULC

- (3)
- Dimensional Holdings Inc.
 - Dimensional Fund Advisors LP
 - DFA Australia Limited

- (4)
- Dimensional Holdings Inc.
 - Dimensional Fund Advisors LP
 - Dimensional Fund Advisors Ltd.
 - Dimensional Fund Advisors Pte. Ltd.

Lansdowne Partners International Ltd., George Town, Grand Cayman, Cayman Islands, notified us on 11 December 2019 that its voting interest in Borussia Dortmund GmbH & Co. KGaA amounted to 3.01% on 5 December 2019 (2,767,730 voting rights/shares) and that all of these voting rights were attributable to Lansdowne Partners

International Ltd. pursuant to § 34 WpHG, and furthermore that the chain of subsidiaries is as follows, beginning with the ultimate controlling person or entity:

- (1)
- Lansdowne Partners International Ltd. with a voting interest of 3.01%
 - Lansdowne Partners Ltd.
 - Lansdowne Partners (UK) LLP with a voting interest of 3.01%
- (2)
- Lansdowne Partners International Ltd. with a voting interest of 3.01%
 - Lansdowne General Partner I Limited
 - Lansdowne European Absolute Opportunities Master Fund LP

(40) 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.

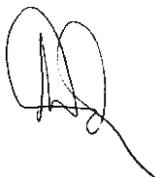
(41) Corporate Governance

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 9 September 2019 and made it permanently available to shareholders on the website at <https://aktie.bvb.de/eng/Corporate-Governance/Statement-of-Compliance>.

Dortmund, 17 August 2020

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



Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Opinions

We have audited the consolidated financial statements of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund ("Borussia Dortmund") and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of June 30, 2020, 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, 2019 to June 30, 2020, 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, 2019 to June 30, 2020.

In accordance with German legal requirements, we have not audited the content of those components of the group management report specified in the "Other Information" section of our auditor's report. The group management report contains cross-references that are not required by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

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, 2020, and of its financial performance for the financial year from July 1, 2019, to June 30, 2020, 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, 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, 2019 to June 30, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

We refer to the information in the notes to the consolidated financial statements on accounting policies (Section: Intangible assets) and to the explanatory notes to the consolidated statement of financial position (Section (1) Intangible assets, (8) Assets held for sale and (12) Trade payables).

THE CONSOLIDATED FINANCIAL STATEMENT RISK

Player registrations in the amount of EUR 228.3 million are presented under intangible assets in the consolidated financial statements of Borussia Dortmund. Player registrations rose to EUR 228.3 million in the financial year ended due to additions of EUR 226.3 million, disposals of EUR 57.2 million, write-downs of EUR 87.9 million and reclassifications of EUR 14.4 million. Trade payables include transfer liabilities of EUR 120.3 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 2019/2020 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.

Existence and accuracy of transfer receivables as well as proceeds from transfers

We refer to the information in the notes to the consolidated financial statements on accounting policies (section on restatement pursuant to IAS 8.42: impairment of financial assets and recognition of income and expenses), and to the explanatory notes to the consolidated statement of financial position (Section (5) Trade and other financial receivables) and the explanatory notes to the statement of comprehensive income (Section (16) Gain/loss on transfers).

THE CONSOLIDATED FINANCIAL STATEMENT RISK

Transfer receivables of EUR 33.2 million are shown under trade receivables in the consolidated financial statements of Borussia Dortmund. Proceeds from transfers amounted to EUR 116.7 million in financial year 2019/2020.

In financial year 2019/2020, the proceeds from transfers were restated retrospectively. The proceeds from transfers are now stated under gain/loss on transfers, derived from net disposal proceeds less any residual carrying amounts pursuant to IAS 38.

Due to the heterogeneity and complexity of the contract provisions, recognition of proceeds from transfers is complex and there is generally the risk for the consolidated financial statements that in the event of players leaving, receivables from transfers and the related proceeds from transfers are presented at too high an amount or not in the correct period.

OUR AUDIT APPROACH

We assessed whether changing the reporting method for recognizing proceeds from transfers was permissible. We evaluated the effects resulting from the retrospective change to financial reporting on the individual items of the prior year's financial statements as well as the necessary disclosures in the notes to the consolidated financial statements.

With regard to players leaving the professional squad, we substantiated the amount of transfer receivables and proceeds from transfers by examining the material transfer and agent agreements concluded. The accuracy of transfer receivables and proceeds from transfers recognized was assessed by verifying the calculation of receivables based on the contract clauses.

When examining the concluded transfer agreements, we focused mainly on the date of recognition in order to assess whether the receivables and related proceeds from transfers were recognized in the correct period.

OUR OBSERVATIONS

Transfer and agent agreements were appropriately assessed in terms of transfer receivables and proceeds from transfers.

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 (19) Personnel expenses).

THE CONSOLIDATED FINANCIAL STATEMENT RISK

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

Other information

Management 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.

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.

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

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the annual general meeting on November 25, 2019. We were engaged by the supervisory board on February 18, 2020. 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, 18 August 2020
KPMG AG Wirtschaftsprüfungsgesellschaft



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 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, 17 August 2020

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien

Borussia Dortmund Geschäftsführungs-GmbH



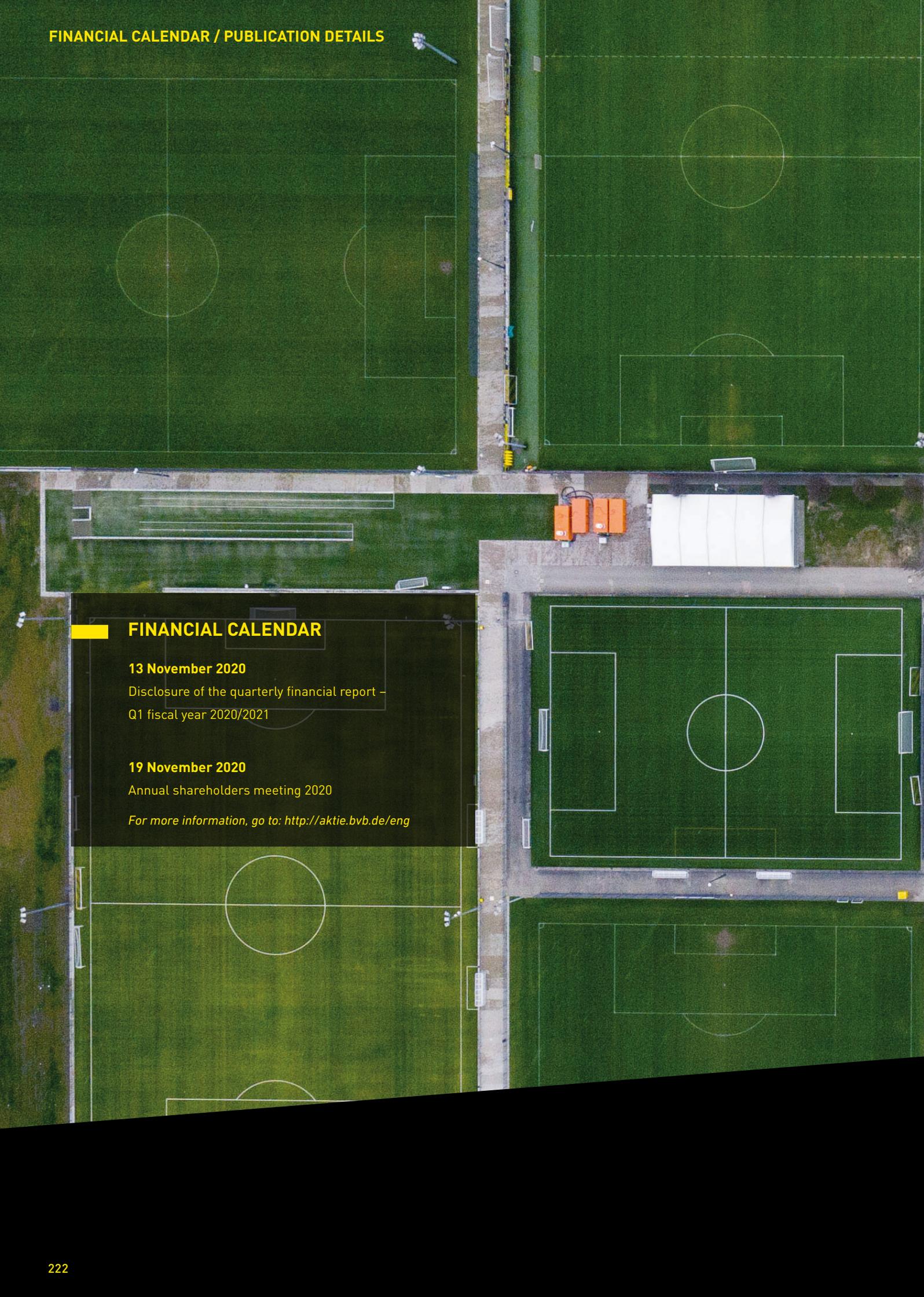
Hans-Joachim Watzke
Managing Director (Chairman)



Thomas Treß
Managing Director



Carsten Cramer
Managing Director



FINANCIAL CALENDAR

13 November 2020

Disclosure of the quarterly financial report –
Q1 fiscal year 2020/2021

19 November 2020

Annual shareholders meeting 2020

For more information, go to: <http://aktie.bvb.de/eng>



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