CONSOLIDATED FINANCIAL STATEMENTS

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

SCHMELZER

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

EUR '000	Note	30/06/2021	30/06/2020
ASSETS			
Non-current assets			
Intangible assets	(1)	193,434	229,667
Property, plant and equipment	(2)	183,454	193,037
Investments accounted for using the equity method	(3)	402	321
Financial assets	(4)	27	32
Trade and other financial receivables	(5)	10,392	12,680
Prepaid expenses	(15)	2,094	5,718
		389,803	441,455
Current assets			
Inventories	(6)	6,806	6,754
Trade and other financial receivables	(5)	29,936	36,520
Tax assets		85	375
Cash and cash equivalents	(7)	1,725	3,317
Prepaid expenses	(15)	12,708	9,901
Assets held for sale	(8)	9,456	19,645
		60,716	76,512
		450,519	**517,967**
EQUITY AND LIABILITIES			
Equity	(9)		
Subscribed capital		92,000	92,000
Reserves		140,750	213,560
Treasury shares		-113	-113
Equity attributable to the owners of the parent company		232,637	305,447
Non-current liabilities			
Lease liabilities	(12)	16,819	20,054
Trade payables	(13)	37,250	69,627
Other financial liabilities	(14)	208	0
Deferred income	(15)	0	230
		54,277	89,911
Current liabilities			
Financial liabilities	(11)	56,900	8,031
Provisions	(10)	2,333	0
Lease liabilities	(12)	4,241	4,350
Trade payables	(13)	64,103	67,432
Other financial liabilities	(14)	30,901	39,115
Tax liabilities		40	40
Deferred income	(15)	5,087	3,641
		163,605	122,609
		450,519	**517,967**

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

(1) – p. 197 | (2) – p. 198 | (3) (4) – p. 200 | (5) – p. 201 | (6) (7) (8) – p. 202 | (9) – p. 203 | (10) (11) – p. 204 (12) (13) (14) – p. 205 | (15) – p. 206

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

EUR '000	*Note*	2020/2021	2019/2020
Revenue	*(16)*	334,171	370,196
Net transfer income	*(17)*	15,401	40,160
Other operating income	*(18)*	10,377	9,195
Cost of materials	*(19)*	-19,589	-22,392
Personnel expenses	*(20)*	-215,650	-215,157
Depreciation, amortisation and write-downs	*(21)*	-111,043	-106,130
Other operating expenses	*(22)*	-85,760	-119,010
Result from operating activities		**-72,093**	**-43,138**
Net income/loss from investments in associates	*(3)*	81	-1
Finance income	*(23)*	287	287
Finance costs	*(23)*	-1,427	-3,731
Financial result		**-1,059**	**-3,445**
Profit before income taxes		**-73,152**	**-46,583**
Income taxes	*(24)*	342	2,630
Consolidated net loss for the year		**-72,810**	**-43,953**
Items that were subsequently reclassified to profit or loss		0	0
Total comprehensive income		**-72,810**	**-43,953**
Consolidated net loss for the year attributable to:			
- Owners of the parent:		-72,810	-43,953
Total comprehensive income attributable to:			
- Owners of the parent:		-72,810	-43,953
Earnings per share (in EUR) (basic/diluted)	*(32)*	**-0.79**	**-0.48**

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

(3) – p. 200 | (16) (17) (18) (19) – p. 207 | (20) (21) (22) – p. 208 | (23) (24) – p. 209 | (32) – p. 218

CONSOLIDATED STATEMENT OF CASH FLOWS

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

EUR '000	*Note*	2020/2021	2019/2020
Profit before income taxes		-73,152	-46,583
Depreciation, amortisation and write-downs of non-current assets	*(21)*	111,043	106,130
Gain/loss on disposals of non-current assets		-16,242	-45,692
Other non-cash expenses/income		286	-4,118
Transfer costs		1,286	7,488
Interest income	*(23)*	-287	-287
Interest expense	*(23)*	1,427	3,731
Net income/loss from investments in associates	*(23)*	-81	1
Changes in other assets not classified as from investing or financing activities		-95	807
Changes in other liabilities not classified as from investing or financing activities		-6,811	-18,818
Interest paid		-1,427	-3,326
Income taxes		0	305
Cash flows from operating activities		**15,947**	**-362**
Payments for investments in intangible assets		-88,314	-152,736
Net proceeds from transfers		29,699	108,090
Payments for investments in property, plant and equipment		-3,414	-6,205
Proceeds from disposals of property plant and equipment		1	62
Proceeds from financial assets		5	20
Dividends received		1	0
Cash flows from investing activities		**-62,022**	**-50,769**
Proceeds from finance raised		56,900	0
Dividend payments	*(9)*	0	-5,519
Repayment of lease liabilities		-4,386	-3,929
Cash flows from financing activities		**52,514**	**-9,448**
Change in cash and cash equivalents		6,439	-60,579
Cash and cash equivalents at the beginning of the period		-4,714	55,865
Cash and cash equivalents at the end of the period		**1,725**	**-4,714**
Definition of cash and cash equivalents			
Bank balances and cash-in-hand	*(7)*	**1,725**	**3,317**
Utilisation of overdraft facilities		**0**	**-8,031**
Cash and cash equivalents at the end of the period		**1,725**	**-4,714**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

EUR '000		Reserves				
see note (9)	Subscribed capital	Capital reserves	Other revenue reserves	Treasury shares	Equity attributable to owners of the parent entity	Consolidated equity
1 July 2019	92,000	142,843	120,189	-113	354,919	354,919
Distributions to shareholders	0	0	-5,519	0	-5,519	-5,519
Transactions with shareholders	0	0	-5,519	0	-5,519	-5,519
Consolidated net loss for the year	0	0	-43,953	0	-43,953	-43,953
Other gains/losses incurred during the period, after taxes	0	0	0	0	0	0
Total comprehensive income	0	0	-43,953	0	-43,953	-43,953
30 June 2020	**92,000**	**142,843**	**70,717**	**-113**	**305,447**	**305,447**
1 July 2020	92,000	142,843	70,717	-113	305,447	305,447
Distributions to shareholders	0	0	0	0	0	0
Consolidated net loss for the year	0	0	-72,810	0	-72,810	-72,810
Other gains/losses incurred during the period, after taxes	0	0	0	0	0	0
Total comprehensive income	0	0	-72,810	0	-72,810	-72,810
30 June 2021	**92,000**	**142,843**	**-2,093**	**-113**	**232,637**	**232,637**

NOTES

to the consolidated financial statements of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, for the financial year from 1 July 2020 to 30 June 2021
(hereinafter "Borussia Dortmund" or "Borussia Dortmund GmbH & Co. KGaA")

BASIC PRINCIPLES

General disclosures

Borussia Dortmund GmbH & Co. KGaA (hereinafter also "Borussia Dortmund" or the "Group") has its registered office at Rheinlanddamm 207 – 209, 44137 Dortmund, Germany, and is listed in the commercial register of the Local Court (*Amtsgericht*) of Dortmund under the number HRB 14217. Borussia Dortmund's professional squad has competed in the Bundesliga's first division for more than four decades. Borussia Dortmund also operates Group companies that sell merchandise, organise and host match-day and non-match-day events, and provide Internet and travel services. Borussia Dortmund also holds an interest in a medical rehabilitation centre.
The general partner, BVB Geschäftsführungs-GmbH, Dortmund, is responsible for management and representation of Borussia Dortmund GmbH & Co. KGaA. Borussia Dortmund Geschäftsführungs-GmbH is for its part represented by Managing Directors Hans-Joachim Watzke (Chairman), Thomas Treß and Carsten Cramer; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.

The consolidated financial statements are presented in thousands of euros.
The subtotals contained in the consolidated statement of comprehensive income for the result from operating activities (EBIT) and the financial result are used to provide detailed information.

By a resolution dated 9 August 2021, the consolidated financial statements and the Group management report were authorised by the Company's management for submission to the Supervisory Board.

Accounting policies

These consolidated financial statements for the financial year from 1 July 2020 to 30 June 2021, including the prior-year information, were prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted in the European Union and in force at the end of the reporting period, and the supplementary provisions of German commercial law required to be observed in accordance with § 315e (1) HGB. The term "IFRS" includes the recent International Financial Reporting Standards (IFRSs) and the International Accounting Standards (IASs) issued by the International Accounting Standards Board (IASB) in London as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

Borussia Dortmund applied the following Standards, Interpretations and amendments to existing Standards, as adopted by the European Union, for the first time in the 2020/2021 financial year:

Amendments to References to the Conceptual Framework in IFRS Standards

The revised Conceptual Framework comprises a new, overarching section entitled "Status and purpose of the conceptual framework" and eight distinct chapters. The Framework now includes chapters relating to "The reporting entity" and "Presentation and disclosure"; the "Recognition" chapter has been expanded to include "Derecognition".
Substantive amendments were also made: for instance, the distinction between revenues on the one hand and gains on the other is no longer drawn for income.
As part of the amendments to the Conceptual Framework, references to the Conceptual Framework in various standards have been amended.
The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IFRS 3 – Definition of a Business

The IASB's amendment clarifies that a business comprises a set of activities and assets which must include, at a minimum, an input and a substantive

process that together significantly contribute to the ability to create outputs. Furthermore, the definition of outputs is narrowed by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs. The new provisions furthermore include an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.
The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendment to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform

These amendments were issued to address existing uncertainties in connection with the IBOR reform. Under the present hedge accounting rules, the upcoming changes in benchmark rates would in many instances result in the termination of hedges. Now it is possible to continue existing hedge accounting relationships for a transitional period. To that end, the amendments provide for specific mandatory exceptions to previous hedge accounting rules, such as rules pertaining to the assessment of the "highly probable" criterion in the context of expected transactions as part of cash flow hedges. The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IAS 1 and IAS 8 – Definition of Material

The amendments create a uniform and more consistent definition of materiality of information presented in financial statements in the IFRSs and provide accompanying examples. In that connection, the definitions set out in the Conceptual Framework, IAS 1, IAS 8 and IFRS Practice Statement 2 "Making Materiality Judgements" have been aligned.
The amendments did not have any material impact on the consolidated financial statements of Borussia Dortmund.

Amendments to IFRS 16 – Covid-19-Related Rent Concessions

IFRS 16 contains provisions relating to the presentation of changes in lease payments (including rent concessions) by the lessee. The lessee must generally assess for each lease whether the rent concessions granted constitute a modification of the lease and must remeasure the lease liability resulting from any such modifications.
The Amendment to IFRS 16 offers a practical expedient in the event rent concessions are utilised. This is subject to certain requirements and available for a limited time. The expedient permits lessees to account for rent concessions granted in connection with the COVID-19 pandemic not as lease modifications but rather as though there had been no modification to the lease.
Borussia Dortmund has made use of the option enshrined in "Amendment to IFRS 16 – Covid-19-Related Rent Concessions" to not present rent concessions granted in connection with COVID-19 as a modification. The applied option relates solely to three properties leased by BVB Merchandising GmbH. In total, changes in rent payments recognised through profit or loss amounted to EUR 66 thousand. These were recognised under other operating income.

Amendments to IFRS 4 – Extension of the Temporary Exemption from Applying IFRS 9 ("deferral of IFRS 9")

The Amendments to IFRS 4 are intended to address the temporary accounting issues caused by the difference in the dates of application of IFRS 9 Financial Instruments and the future IFRS 17 Insurance Contracts. In particular the temporary exemption from IFRS 9 is extended until 2023 in order to align the date of application of IFRS 9 with that of

the new IFRS 17. The Amendments must be applied for reporting periods beginning on or after 1 January 2021. Earlier application is permitted.

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

Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2

The Amendments in Phase 2 of the IBOR reform project (Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases) supplement the rules set out in Phase 1 and address issues that might affect financial reporting when an existing interest rate benchmark is actually replaced.

The following aspects are affected in particular with respect to the presentation of financial instruments: In the event of changes in contractual cash flows, it may not be necessary to adjust or derecognise the carrying amount of financial instruments on the basis of the adjustments. Rather, under certain conditions, the option is available to adjust the effective interest rate to reflect the change in the alternative benchmark interest rate.

With regard to hedge accounting, based on the amendments, it is not necessary under certain circumstances to terminate a hedging relationship designated for hedge accounting purposes due to adjustments triggered by the IBOR reform.

New risks arising from the reform and, in addition, how the transition to alternative reference rates will be handled must be disclosed.

In addition to amendments to IFRS 9, IAS 39 and IFRS 7, the IASB adopted minor amendments to IFRS 4 and IFRS 16.

The Amendments must be applied for reporting periods beginning on or after 1 January 2021.

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

Accounting standards issued by the IASB, but not yet adopted by the EU and not yet applied by the Company:

Standard	New and amended Standards and Interpretations	Published by IASB	Mandatory application (IASB)	Expected effect on Group
IFRS 17 (including amendments to IFRS 17)	Insurance Contracts	18 May 2017	1 January 2023	None
Amendments to IFRS 3	References to the Conceptual Framework	14 May 2020	1 January 2022	Immaterial
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	11 September 2014/ 18 December 2014	TBA	Immaterial
Amendment to IAS 1 (including Deferral of Effective Date)	Classification of Liabilities as Current or Non-current	15 July 2020	1 January 2023	Immaterial
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use	14 May 2020	1 January 2022	Immaterial
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	14 May 2020	1 January 2022	Immaterial
Improvements to IFRS 2018 - 2020	Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	1 September 2020	1 January 2022	Immaterial

Scope of consolidated financial statements

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

The list of shareholdings as at 30 June 2021 was as follows:

Shareholdings (30 June 2021)

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

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

** Included in the consolidated financial statements as at 30 June 2021 as an associate on the basis of the net profit/loss reported as at 31 December 2020.

Shareholdings (30 June 2020)

	Registered office	Share capital (EUR '000)	Shareholding %	Equity (EUR '000) as at 30/06/2020	Net profit/loss (EUR'000) 01/07/2019 to 30/06/2020
Fully consolidated companies					
BVB Stadionmanagement GmbH*	Dortmund	52	100.00	66	63
besttravel dortmund GmbH*	Dortmund	50	100.00	144	566
BVB Merchandising GmbH*	Dortmund	75	100.00	10,881	2,458
BVB Event & Catering GmbH*	Dortmund	25	100.00	25	1,582
BVB Asia Pacific Pte. Ltd.	Singapur	66	100.00	192	31
BVB Fußballakademie GmbH	Dortmund	25	100.00	25	0
Investments accounted for using the equity method					
Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH**	Dortmund	52	33.33	786	-3

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

** Included in the consolidated financial statements as at 30 June 2020 as an associate on the basis of the net profit/loss reported as at 31 December 2019.

No interim financial statements were prepared for Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (Orthomed GmbH) as at 30 June 2021 due to the fact that there would be no material impact on the consolidated financial statements.

Please refer to Note 33 for disclosures on transactions with related parties.

Consolidation principles

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

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

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

Subsidiaries are entities controlled by the Group. The Group controls an entity if the Group is exposed to or has rights to variable returns from its investment in the entity and if the Group has the ability to influence those returns through its control over the entity. The financial statements of subsidiaries in included in the consolidated financial statements as at the date control begins and until the time the Group no longer controls the entity.

Acquired subsidiaries are accounted for using the acquisition method. The acquisition cost is equal to the fair value of the assets given, the equity instruments issued and the liabilities incurred or assumed on the date of the transaction. The costs associated with the acquisition are recognised as an expense. When consolidated for the first time, the identifiable assets, liabilities and contingent liabilities acquired in a business combination are measured at their acquisition-date fair values, regardless of the size of the minority interest.

Any excess of the acquisition cost over the share of equity acquired at fair value is recognised as goodwill. If the acquisition costs are lower than the fair value of the net assets of the subsidiary acquired, the measurement of net assets is reviewed and the difference is recognised directly in the consolidated statement of comprehensive income.

The Group's interests in investments accounted for using the equity method relate to shareholdings in associates.
Associates are entities over which the Group has a significant influence but does not control or jointly manage the entities' financial and operating policies.

Foreign currency translation

The consolidated financial statements are presented in euros. The euro is the currency of the primary business environment (functional currency) of all companies included in the consolidated financial statements. In the single-entry financial statements of the parent and of the consolidated subsidiaries, business transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing on the date of the transaction. Gains and losses arising on the fulfilment of such transactions and on the translation of monetary assets and liabilities carried in foreign currencies using the exchange rate prevailing at the end of the reporting period are recognised in profit or loss.

Accounting policies

The significant accounting policies used in the preparation of these consolidated financial statements are presented below. The policies described were applied consistently for the reporting periods shown, unless otherwise indicated.
The consolidated financial statements were prepared based on amortised cost. However, derivative financial instruments are measured at fair value.

Intangible assets

Purchased intangible assets are measured at cost less amortisation based on their expected useful lives or at the lower recoverable amount. Player registrations reported in these financial statements are measured at cost in accordance with IAS 38 and amortised on a straight-line basis over the term of the individual contracts.

Agent and brokerage commissions and other obligations in connection with contract extensions or players acquired on free transfers are recognised as intangible assets. If these obligations are subject to certain conditions precedent, they are recognised on the date the conditions are met. The intangible assets are amortised on a straight-line basis over the remaining term of the individual contracts.

Computer software for commercial and technical applications is amortised on a straight-line basis.

The useful lives and the methods of amortisation are reviewed at the end of each financial year.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses. Subsequent expenses are recognised only if it is probable that the future economic benefits associated with the expenses will flow to the Group.

The SIGNAL IDUNA PARK stadium buildings were measured at their fair value amounting to EUR 177,200 thousand in the opening IFRS statement of financial position as at 1 July 2004, in accordance with the option permitted by IFRS 1.16. This valuation is based on the opinion of an independent expert. The changes in accounting policies resulted as a consequence of an expert review of the remaining useful life of the stadium property, which since 1 July 2013 will be depreciated over 40 years (previously: 19.5 years). Annual depreciation amounted to EUR 3,034 thousand.

Land is carried at amortised cost and impaired if necessary.

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

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

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

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

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

Impairment testing

The useful lives of intangible assets and items of property, plant and equipment are all finite. If there are specific indications of possible impairment, individual assets are tested for impairment, both at the level of the individual assets and at the level of the cash-generating units. A cash-generating unit is the smallest identifiable group of assets that generate cash flows, which are independent of cash flows generated by other assets to the furthest extent possible. An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of net realisable value and value in use. If the reason for an impairment write-down recognised in prior years no longer exists, the impairment loss is reversed until the carrying amount of the asset, net of depreciation and amortisation, equals the amount that would have been determined if an impairment loss had not been recognised.

Leases

The Group's leases relate in particular to developed land and leased operating and office equipment.

Under the standard, lessees recognise a right-of-use asset (representing their right to use an underlying asset) and a lease liability (representing their obligation to make lease payments).

Pursuant to the exemptions under IFRS 16, Borussia Dortmund has opted to henceforth not apply the accounting requirements to leases with a term of 12 months or less and to leases for which the underlying asset is of low value.

Right-of-use assets recognised in accordance with IFRS 16 are measured at cost as at the commencement date and are generally discounted at the rate implicit in the lease. That amount is reduced by cumulative depreciation and amortisation and, where appropriate, write-downs and impairment losses. Due to the existing lease agreements, Borussia Dortmund is entitled to control the use of various assets against payment of the lease obligations.

Financial instruments

Financial instruments under IFRS are classified in line with the format of the statement of financial position. The table under Note 31 provides a reconciliation of the individual classes and categories of IFRS 9 to the items of the statement of financial position and the fair values of the financial instruments disclosed therein.

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

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

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., the price) or indirectly (i.e., can be derived from the price).
Level 3: Unobservable inputs of the asset or liability.

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

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

Financial assets measured at fair value through profit or loss include financial assets whose cash flows do not comprise solely payments of principal and interest on the principal amount outstanding. This also includes financial assets that are not held in either the "hold" or "hold and sell" business models. Gains and losses resulting from these financial assets are recognised through profit or loss.

b) Financial assets measured at amortised cost

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

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

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

Financial assets that are measured at fair value through other comprehensive income are non-derivative financial assets with contractual payments that are solely payments of principal and interest on the principal amount outstanding and that are held for the purposes of collecting the contractual cash flows and selling financial assets, for instance to meet predefined liquidity targets ("hold and sell" business model). This category also includes equity instruments that

are not held for trading and for which the option was exercised to recognise changes in fair value through other comprehensive income.

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

Impairment of financial assets

At the end of every reporting period, a loss allowance is recognised for financial assets that are not measured at fair value through profit or loss. This loss allowance reflects the expected credit losses for these instruments. The expected credit loss model consists of three stages: a loss allowance is recognised at an amount equal to the 12-month expected credit losses (stage 1), at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition (stage 2), or in the case of credit-impaired financial assets (stage 3). A financial asset is considered to be credit-impaired once there are objective substantial indications, such as the debtor's significant financial difficulty, or knowledge of an application for bankruptcy or past due event. If the asset appears uncollectible, it and the loss allowance are derecognised.

Derecognition of financial assets and financial liabilities

Financial assets

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

Financial liabilities

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

Financial assets and liabilities are offset against one another and the net balance is presented in the consolidated statement of financial position if an

entity a) has a legally enforceable right to set off the recognised amounts, and b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred taxes

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

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

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

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

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

Inventories

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

Cash and cash equivalents

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

Ordinary shares

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

Treasury shares

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

Provisions

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

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

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

Financial liabilities

Financial liabilities falling under the scope of IFRS 9 are allocated to the category "other financial liabilities". These include borrowings and are recognised initially at fair value plus transaction costs directly attributable to the issue of the financial liabilities. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, where interest expense is measured in accordance with the effective interest rate. Please refer to Notes 11, 12, 13, 14 and 26 *et seq.* for information on the provision of collateral and further disclosures on financial liabilities.

Prepaid expenses and deferred income

Prepaid expenses and deferred income are recognised and apportioned on a straight-line basis over their term to allocate payments made on an accrual basis.

Recognition of income and expenses

Revenue is measured on the basis of the consideration set out in contracts with customers. The Group recognises revenue when (or as) it transfers control over a good or a service to a customer.

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

Type of product/ service	Primarily	Revenue recognition in accordance with IFRS 15
Match operations	Ticket proceeds	Revenue is recognised at a point in time (date of match).
Advertising	Sponsorship agreements	Revenue is recognised over time in line with the term of the agreement; performance-based bonuses are recognised at a point in time.
TV marketing	Centralised national/international TV marketing	Revenue is recognised over time; performance-based bonuses are recognised at a point in time.
Merchandising	Sale of fan merchandi-se/granting of licences	Revenue from fan merchandise is recognised at a point in time. Revenue from licences is recognised over time in line with the term of agreement.
Conference, catering, miscellaneous	Related to match-day operations	Revenue is recognised at a point in time.

Interest income and expenses are allocated to the period to which they relate, taking into account the outstanding amount of the loan and the effective interest rate to be applied. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Operating expenses are recognised when the goods or services are utilised or at the date the expenses are incurred.

Management of financial risks

The Group finances itself primarily from long-term leases, trade payables, season tickets paid for in advance and payments from sponsors. Furthermore, Borussia Dortmund has EUR 120,000 thousand overdraft facility at its disposal, which is secured against EUR 18,465 thousand in sponsorship income and a EUR 60,000 thousand registered land charge in relation to the stadium.

The related risks arising comprise fair value risks (interest-rate-related cash flow risks), liquidity risks, credit risks and currency/exchange rate risks. The methods of managing the individual types of risk are described in the following.

Exchange rate risk

The Group is exposed to transactional foreign currency risks to the extent that the quotations of currencies in which disposal and acquisition transactions as well as receivables and credit transactions are carried out do not match the functional currency of the Group companies. The aforementioned transactions are primarily conducted on the basis of euros (EUR) and pounds sterling (GBP). Currency forwards are concluded to hedge the cash flows.

Sensitivity analysis (exchange rate risks)

Sensitivity analyses are used to assess the impact of a strengthening (weakening) of the exchange rate as of June 30 on equity or the statement of comprehensive income.

Interest rate risks

Interest rate risks relate to the risk that the interest rate associated with an interest-bearing financial instrument will deviate from the market interest rate due to future market developments. Interest rate risks can therefore arise from floating-rate loans, among other things. These risks are hedged using appropriate interest hedging instruments. Because Borussia Dortmund currently does not have any floating-rate loans or interest rate swaps, there is no necessity for hedges.

Sensitivity analysis (interest rate risk)

Sensitivity analyses are used to measure how sensitive financial ratios are to small changes in input parameters. Because Borussia Dortmund currently does not have any floating-rate loans or interest rate swaps, there is no necessity to perform sensitivity analyses.

Liquidity risk

The Group constantly monitors the risk of possible liquidity bottlenecks, taking into account the probable maturities of its financial liabilities and the timing of the expected cash flows from operating activities. Any liquidity risks are countered through appropriate forms of financing.

The elements of financing falling due in the short term are subject to continuous monitoring on the basis of the relevant corporate planning. Please refer to Note 30 for disclosures on the maturities of contractual cash flows.

The COVID-19 crisis has led to greater focus being placed on liquidity planning and management. The financial and liquidity planning apparatus that has been in place for many years considers a variety of planning scenarios and different premises, and is regularly adjusted to account for current conditions. Weekly target/actual comparisons enable Borussia Dortmund to devise and implement suitable liquidity management measures if necessary. The temporary salary waiver by the management, the players, the coaching staff and senior executives, as well as the reduction of the repair and maintenance budget and the reduction of capital expenditures have had a positive effect on the Company's liquidity situation.

Credit risk

The Group conducts business exclusively with third parties of high credit standing. Concentrations of credit risk can arise in the context of a player transfer and from long-term sponsorship agreements. Such concentrations of risk are monitored in the course of the Group's operating activities.

The maximum credit risk in the event of counterparty default is equal to the carrying amount of these instruments. Please refer to Note 26.

Significant decisions subject to judgement and estimates

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

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

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

This section on accounting policies includes detailed disclosures about property, plant and equipment.

Notes 2 and 12 include detailed disclosures on finance leases.

Disclosures on deferred taxes are included, *inter alia,* in Note 24 and the section on accounting policies.

The collectability of trade receivables is assessed based on the estimated probability of default. Specific valuation allowances are calculated for overdue receivables using individually determined percentages. In the event that the financial situations of our partners worsen, the amounts actually written down may exceed the amount of the valuation allowances recognised. This could negatively impact the results of operations. Please refer to Note 5 for disclosures on carrying amounts.

Note 10 includes detailed disclosures on provisions.

Deferred tax assets are recognised in respect of tax loss carry-forwards to the extent that it is probable that taxable income will be available to enable the loss carry-forwards to actually be utilised. In order to determine the amount of the deferred tax assets required to be recognised in this context, management makes significant assumptions with respect to the expected timing and amount of future taxable income.

The preparation of financial statements in accordance with IFRS requires the use of judgement. All decisions requiring the use of judgement are reassessed on a permanent basis and are based on past experience and expectations as to future events that appear reasonable, given the current circumstances.

Operating segments

Borussia Dortmund has four reportable segments, which are responsible for the main activities of the overall Group. The first segment consists of Borussia Dortmund GmbH & Co. KGaA, which operates a football club including a professional football squad and leverages the associated revenue potential arising from transfer deals, catering, TV marketing, advertising and match operations. The second segment consists of the separate merchandising business, which is carried out by BVB Merchandising GmbH, a legally independent entity.

The wholly owned Group subsidiaries BVB Event & Catering GmbH and besttravel dortmund GmbH are also classified as reportable segments.

BVB Event & Catering GmbH is responsible for conducting stadium tours, providing and arranging for event staffing services and planning, organising, catering, steering and conducting events of all types in its own name and on behalf of third parties.

besttravel dortmund GmbH is responsible for arranging travel by air, rail and ship, as well as package tours offered to private customers by travel agents. It also organises and conducts events such as sports travel, conferences and incentive trips, and arranges hotel and car hire bookings.

Internal reporting is based on the accounting provisions of the German Commercial Code (*Handelsgesetzbuch*, "HGB").

OPERATING SEGMENTS

	Borussia Dortmund KGaA		BVB Merchandising GmbH		BVB Event & Catering GmbH		besttravel dortmund GmbH		Total	
EUR '000	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
Total revenue	**323,497**	**442,126**	**33,395**	**34,706**	**2,032**	**17,015**	**887**	**1,373**	**359,811**	**495,220**
of which match operations	554	32,510	0	0	0	0	0	0	554	32,510
of which advertising	106,609	98,038	0	0	0	0	0	0	106,609	98,038
of which TV marketing	186,655	169,836	0	0	0	0	0	0	186,655	169,836
of which transfer deals	23,148	123,732	0	0	0	0	0	0	23,148	123,732
of which merchandising	0	0	33,395	34,706	0	0	0	0	33,395	34,706
of which conference, catering, miscellaneous	6,531	18,010	0	0	2,032	17,015	887	1,373	9,450	36,398
Total revenue	**323,497**	**442,126**	**33,395**	**34,706**	**2,032**	**17,015**	**887**	**1,373**	**359,811**	**495,220**
of which external	322,338	440,802	32,640	33,292	503	11,233	42	658	355,523	485,985
of which internal	1,159	1,324	755	1,414	1,529	5,782	845	715	4,288	9,235
Financial result	**-262**	**1,915**	**0**	**0**	**0**	**0**	**-5**	**-4**	**-267**	**1,911**
Share of profit from equity investments	0	0	0	0	0	0	0	0	0	0
of which profit transfer	1,007	4,669	0	0	0	0	0	0	1,007	4,669
of which loss absorption	-748	0	0	0	0	0	0	0	-748	0
Net interest income/expense	**-521**	**-2,754**	**0**	**0**	**0**	**0**	**-5**	**-4**	**-526**	**-2,758**
of which interest expense	-642	-2,934	0	0	0	0	-5	-4	-647	-2,938
of which interest income	121	180	0	0	0	0	0	0	121	180
Depreciation, amortisation and write-downs	-110,137	-105,547	-692	-1,426	-25	-34	-21	-21	-110,875	-107,028
Segment profit before taxes *	-77,080	-54,281	-748	2,458	724	1,582	100	566	-77,004	-49,675
Capital expenditure	91,663	160,453	6	403	0	7	0	1	91,669	160,864
Segment assets **	453,745	518,768	17,474	15,875	4,684	4,865	569	675	476,472	540,183
Segment liabilities	195,887	184,431	6,593	4,994	4,659	4,840	425	531	207,564	194,796
Investments accounted for using the equity method	96	96	0	0	0	0	0	0	96	96
Income from investments in associates	0	0	0	0	0	0	0	0	0	0

* Before profit or loss transfer.
** KGaA segment includes EUR 9,456 thousand (previous year: EUR 19,645 thousand) in assets held for sale.

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

RECONCILIATION of the segments to the statement of financial position and the consolidated statement of comprehensive income

	Total		Other adjustments		Consolidated financial statements	
EUR '000	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
Total revenue	**359,811**	**495,220**	**-25,640**	**-125,024**	**334,171**	**370,196**
of which match operations	554	32,510	0	0	554	32,510
of which advertising	106,609	98,038	-32	-33	106,577	98,005
of which TV marketing	186,655	169,836	0	0	186,655	169,836
of which transfer deals	23,148	123,732	-23,148	-123,732	0	0
of which merchandising	33,395	34,706	-755	-1,414	32,640	33,292
of which conference, catering, miscellaneous	9,450	36,398	-1,705	155	7,745	36,553
Total revenue	**359,811**	**495,220**	**-25,640**	**-125,024**	**334,171**	**370,196**
of which external	355,523	485,985	-21,352	-115,789	334,171	370,196
of which internal	4,288	9,235	-4,288	-9,235	0	0
Financial result	**-267**	**1,911**	**-792**	**-5,356**	**-1,059**	**-3,445**
Share of profit from equity investments	0	0	81	-1	81	-1
of which profit transfer	1,007	4,669	-1,007	-4,669	0	0
of which loss absorption	-748	0	748	0	0	0
Net interest income/expense	**-526**	**-2,758**	**-614**	**-686**	**-1,140**	**-3,444**
of which interest expense	-647	-2,938	-780	-793	-1,427	-3,731
of which interest income	121	180	166	107	287	287
Depreciation, amortisation and write-downs	-110,875	-107,028	-168	898	-111,043	-106,130
Segment profit before taxes *	-77,004	-49,675	3,852	3,092	-73,152	-46,583
Capital expenditure	91,669	160,864	59	-1,923	91,728	158,941
Segment assets **	476,472	540,183	-25,953	-22,216	450,519	517,967
Segment liabilities	207,564	194,796	10,318	17,724	217,882	212,520
Investments accounted for using the equity method	96	96	306	225	402	321
Income from investments in associates	0	0	81	-1	81	-1

* Before profit or loss transfer.
** KGaA segment includes EUR 9,456 thousand (previous year: EUR 19,645 thousand) in assets held for sale.

The table below provides a detailed reconciliation of segment profit or loss before taxes, segment assets and segment liabilities:

	Segment profit or loss before taxes		Segment assets		Segment liabilities	
EUR '000	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
Segments total	-77,004	-49,675	476,472	540,183	207,564	194,796
Profit from other companies	210	94	0	0	0	0
Other IFRS adjustments	1,454	1,772	-9,288	-5,298	0	0
IFRS 16 adjustments	1,165	305	20,280	22,459	21,060	24,404
IFRS 9 adjustments	248	-42	-26	-23	0	0
IFRS 15 adjustments	-70	118	69	139	103	219
Consolidation of long-term financial assets	0	0	-9,961	-11,621	0	0
Stadium buildings plus other assets	845	845	-27,027	-27,872	0	0
Other consolidation	0	0	0	0	-10,845	-6,899
	-73,152	**-46,583**	**450,519**	**517,967**	**217,882**	**212,520**

The Borussia Dortmund GmbH & Co. KGaA segment exceeded the 10% threshold stipulated in IFRS 8.34 for two customers by a total of EUR 181,291 thousand (previous year: two customers, EUR 172,660 thousand). In the past, no bad debts in excess of 2.5 percent have been reported for these customers. The allocation of revenue items is presented in the table below:

	Borussia Dortmund KGaA		BVB Merchandising GmbH		BVB Event & Catering GmbH		besttravel dortmund GmbH		Total	
EUR '000	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
Total revenue – 10% threshold	**181,291**	**172,660**	**0**	**0**	**0**	**0**	**0**	**0**	**181,291**	**172,660**
of which match operations	0	74	0	0	0	0	0	0	0	74
of which advertising	54	51	0	0	0	0	0	0	54	51
of which TV marketing	178,774	169,080	0	0	0	0	0	0	178,774	169,080
of which merchandising	0	0	0	0	0	0	0	0	0	0
of which conference, catering, miscellaneous	2,463	3,455	0	0	0	0	0	0	2,463	3,455

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(1) Intangible assets

EUR '000	30/06/2021	30/06/2020
Player registrations	192,442	228,314
Industrial property rights and similar rights	992	1,353
	193,434	**229,667**

Intangible assets consist of purchased player registrations and computer software. At the end of the reporting period, the weighted remaining contractual term of the significant player registrations amounted to 2.44 years (30 June 2020: 3.30 years).

Changes in intangible assets were as follows:

EUR '000	Player registrations	Industrial property rights and similar rights	Total
Cost			
As at 30 June 2019	276,508	4,101	280,609
Additions	226,336	457	226,793
Disposals	76,616	997	77,613
Reclassification to assets held for sale	22,039	0	22,039
As at 30 June 2020	404,189	3,561	407,750
Additions	58,738	0	58,738
Disposals	41,862	0	41,862
Reclassification to assets held for sale	3,849	0	3,849
As at 30 June 2021	417,216	3,561	420,777
Depreciation, amortisation and write-downs			
As at 30 June 2019	115,096	1,803	116,899
Additions	87,880	405	88,285
Disposals	19,418	0	19,418
Reclassification to assets held for sale, disposals	7,683	0	7,683
As at 30 June 2020	175,875	2,208	178,083
Additions	92,269	361	92,630
Disposals	40,965	0	40,965
Reclassification to assets held for sale, disposals	2,405	0	2,405
As at 30 June 2021	224,774	2,569	227,343
Carrying amounts			
As at 30 June 2019	161,412	2,298	163,710
As at 30 June 2020	228,314	1,353	229,667
As at 30 June 2021	**192,442**	**992**	**193,434**

(2) Property, plant and equipment

EUR '000	30/06/2021	30/06/2020
Land, land rights and buildings including buildings on third-party land	147,014	152,769
Other equipment, operating and office equipment	36,440	40,268
	183,454	**193,037**

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

In the current financial year, investments were made in the training ground in Dortmund-Brackel and in SIGNAL IDUNA PARK.

In connection with the project to expand BVB's training centre, the new power plant and the sprinting hill were completed at the Dortmund-Brackel training ground.

At SIGNAL IDUNA PARK, investment centred around the network infrastructure.

The items of property, plant and equipment recognised in the statement of financial position as a result of a lease consist of buildings and other facilities (e.g., sport pitches and outdoor grounds) at the Dortmund-Brackel training ground and the youth centre.
In addition, the Wi-Fi and flood lighting system and the advertising boards in the upper stands at SIGNAL IDUNA PARK, as well as the Borussia Dortmund fan shops were also included in property, plant and equipment recognised under leases.

As at 30 June 2021, the following right-of-use assets related to the corresponding items in the statement of financial position:

	Net carrying amounts
EUR '000	30/06/2021
Buildings	12,661
Operating and office equipment	1,508
	14,169

In the previous year, assets had net carrying amounts of EUR 22,459 thousand, of which EUR 16,523 thousand was attributable to buildings and EUR 5,936 thousand to operating and office equipment.

Borussia Dortmund reported additions for right-of-use assets recognised under property, plant and equipment amounting to EUR 1,106 thousand (previous year: EUR 16,830 thousand). This was offset by depreciation and write-downs of EUR 3,285 thousand (previous year: EUR 3,627 thousand).

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

The interest expense incurred for these items amounted to EUR 772 thousand (previous year: EUR 571 thousand) and are reported under finance costs in the consolidated statement of comprehensive income.

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

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

Changes in property, plant and equipment were as follows:

EUR '000	Land, land rights and buildings, including buildings on third-party land	Other equipment, operating and office equipment	Total
Cost			
As at 30 June 2019	257,023	76,707	333,730
Additions	2,848	20,416	23,264
Disposals	0	1,124	1,124
As at 30 June 2020	259,871	95,999	355,870
Additions	351	4,114	4,465
Disposals	0	1,002	1,002
As at 30 June 2021	260,222	99,111	359,333
Depreciation, amortisation and write-downs			
As at 30 June 2019	101,010	48,719	149,729
Additions	6,092	7,850	13,942
Disposals	0	838	838
As at 30 June 2020	107,102	55,731	162,833
Additions	6,106	7,497	13,603
Disposals	0	557	557
As at 30 June 2021	113,208	62,671	175,879
Carrying amounts			
As at 30 June 2019	156,013	27,988	184,001
As at 30 June 2020	152,769	40,268	193,037
As at 30 June 2021	**147,014**	**36,440**	**183,454**

(3) Investments accounted for using the equity method

The investment in Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (33.33%) with its HGB financial statements as at 31 December 2020 is reported here.

EUR '000	30/06/2021	30/06/2020
Non-current assets	557	641
Current assets	973	519
Non-current liabilities	165	177
Current liabilities	338	197
Net assets	1,027	786
Group's share of net assets (33.33%)	342	262
Goodwill	59	59
Dividends received after 31 December 2020	0	0
Carrying amount of interest in associate	**402**	**321**
Revenue	4,138	4,008
Profit/loss from continuing operations	242	-3
Comprehensive income (33.33%)	81	-1
Group's share of comprehensive income (33.33%)	**81**	**-1**

EUR '000	2020	2019
Cash flows from operating activities	620	118
Cash flows from investing activities	-40	-168
Cash flows from financing activities	-12	77
Net change in cash and cash equivalents	**568**	**27**

(4) Financial assets

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

Please refer to Note 31 for information on the fair values of financial assets.

In accordance with IFRS 15, the Group recognises an asset related to products sold with a right of return on the basis of the expected returns. This corresponds to the refund liability. As at 30 June 2021, the asset for the right of return of products amounted to EUR 60 thousand (previous year: EUR 139 thousand).

(5) Trade and other financial receivables

Trade and other financial receivables amounted to EUR 40,328 thousand (previous year: EUR 49,200 thousand) of which EUR 2,737 thousand (previous year: EUR 1,996 thousand) related to other financial receivables and EUR 37,591 thousand to trade receivables (previous year: EUR 47,204 thousand).
Trade receivables included EUR 22,187 thousand in transfer receivables (previous year: EUR 33,204 thousand).

Non-current

EUR '000	30/06/2021	30/06/2020
Trade receivables	**10,392**	**12,680**

Non-current trade receivables are discounted using the effective interest method and measured at amortised cost. Please refer to Note 31 for information on the fair values of financial assets.

Current

EUR '000	30/06/2021	30/06/2020
Trade receivables	28,381	38,506
Less allowances	-1,182	-3,982
Net trade receivables	27,199	34,524
Other financial receivables	2,737	1,996
	29,936	**36,520**

Current trade receivables and other assets do not bear interest and mostly have a maturity of up to three months. Please refer to Note 31 for information on the fair values of financial assets.

(6) Inventories

EUR '000	30/06/2021	30/06/2020
Inventories/merchandise	7,235	7,342
Less write-downs	-429	-588
Net inventories	**6,806**	**6,754**

The carrying amount of inventories carried at fair value less costs to sell was EUR 1,292 thousand (previous year: EUR 1,645 thousand).
Impairments of inventories are carried in the cost of materials.

(7) Cash and cash equivalents

EUR '000	30/06/2021	30/0672020
Bank balances and cash-in-hand	**1,725**	**3,317**

Bank balances have been subject to immaterial negative interest rates since financial year 2020/2021.

(8) Assets held for sale

Non-current assets are classified as "held for sale" and "measured at the lower of carrying amount and fair value less costs to sell" if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.
By virtue of contractual arrangements and current transfer market conditions relating to the pending sale of transfer rights in one of the upcoming transfer windows, non-current intangible assets were written down by EUR 4,810 thousand (previous year: EUR 3,903 thousand) to their fair value less costs to sell (meaning the gross transfer proceeds to be collected less transfer costs) and reclassified as held for sale. The carrying amount of assets held for sale amounted to EUR 9,456 thousand (previous year: EUR 19,645 thousand). The write-down was recognised under depreciation and amortisation.

(9) Equity

The Company's subscribed capital amounts to EUR 92,000 thousand and is divided into 92,000,000 no-par value shares, each representing a notional share in the share capital of EUR 1.00, less the notional value of treasury shares of EUR 19 thousand. Equity contains a presentation of treasury shares in which the nominal amount of the treasury shares is deducted from equity under subscribed capital on the face of the balance sheet. Furthermore, a reserve for treasury shares in the same amount is also presented.

Pursuant to a resolution by the Annual General Meeting on 16 November 2004, the Company was authorised to acquire own shares amounting to 10% of the share capital on or before 30 April 2006. The Company was also authorised to sell its treasury shares either on or off the stock market. Off-market sales are permitted, among other purposes, for the sale of shares in the form of printed physical share certificates which are freely transferable and tradable. In such cases, shareholders' subscription rights are excluded in accordance with § 71 (1) No. 8 AktG. In the period between the date of admission of the Company's shares to trading (31 October 2000) and the end of the reporting period (30 June 2021), the Company acquired a total of 34,000 no-par value shares and sold 15,100 no-par value shares off-market in the form of printed physical share certificates. The gain on disposal has been reported separately under other operating income. At the balance sheet date, the Company's holding of its own securities consisted of 18,900 no-par value shares; no shares were disposed of during the reporting period.

Subscribed capital

The subscribed capital of Borussia Dortmund GmbH & Co. KGaA is divided into no-par value shares with a notional share in the share capital of EUR 1.00 per share, with each share bearing equal rights. The shares are fully paid-up; the number of shares issued and the number of shares outstanding changed as follows:

Number of shares	Issued	Treasury shares	In circulation
Balance as at 1 July 2019	92,000,000	-18,900	91,981,100
Change in treasury shares		0	
as at 30 June 2020	**92,000,000**	**-18,900**	**91,981,100**
Change in treasury shares		0	
as at 30 June 2021	**92,000,000**	**-18,900**	**91,981,100**

By virtue of a resolution by the Annual General Meeting on 19 November 2020, the Company was authorised until 18 November 2025, subject to the renewed consent of the Supervisory Board, to increase the share capital by a maximum of EUR 18,400,000.00 in total by issuing new no-par value ordinary bearer shares against cash contributions on one occasion.

Reserves

Capital reserves consist exclusively of transfers in respect of premiums on the issue of new shares after deducting the net costs of the placement and the Company's share of revenues from the sale of treasury shares.

Other revenue reserves comprise profits generated and not distributed by Group companies in the current year and previous years and accumulated losses. In addition, the net effect, taking account of subsequent adjustments, of the remeasurement of SIGNAL IDUNA PARK in accordance with IFRS 1.16 is reported under this item.

Capital management

The objective of capital management is to ensure the Group's long-term ability to function on a going concern basis and to generate appropriate returns for shareholders. Debt management steers the raising of debt, particularly with regard to financing with matching maturities. The capital structure is managed in such a way that changes in macroeconomic conditions and risks arising from the underlying assets are taken into account. Short-term target-performance comparisons and medium- and long-term financial planning are used in the capital structure management process.

The capital structure at the end of the reporting period was as follows:

EUR '000	30/06/2021	30/06/2020
Equity of shareholders	232,637	305,447
Share in total capital	51.64 %	58.97 %

(10) Provisions

The EUR 2,333 thousand (previous year: EUR 0 thousand) in provisions recognised as at 30 June 2021 included provisions for litigation and liability risks relating to legal proceedings, and was expensed.
The outcome of the legal proceedings cannot be forecast with any certainty, meaning that the amount of the expected obligation is also uncertain. Based on comparable past incidents and its present understanding of the substance of the matter, Borussia Dortmund anticipates a value in dispute and a potential loss of EUR 2,333 thousand.

(11) Financial liabilities

Current financial liabilities amounted to EUR 56,900 thousand as at the end of the reporting period (previous year: EUR 8,031 thousand). As in the previous year, this related to an overdraft facility that has been utilised.

(12) Lease liabilities

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

EUR '000	30/06/2021	30/06/2020
Less than 1 year	4,932	5,135
Between 1 and 5 years	11,106	13,886
More than 5 years	7,763	8,569
	23,801	27,590
Future finance charges from leases	-2,741	-3,186
Present value of liabilities from leases	**21,060**	**24,404**

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

EUR '000	30/06/2021	30/06/2020
Less than 1 year	4,241	4,350
Between 1 and 5 years	9,735	12,943
More than 5 years	7,084	7,111
	21,060	**24,404**

(13) Trade payables

Trade payables amounted to EUR 101,353 thousand (previous year: EUR 137,059 thousand), of which EUR 87,683 thousand (previous year: EUR 120,287 thousand) related to liabilities from transfer deals. Liabilities from transfer deals declined due to payments made in connection with transfer agreements.

(14) Other financial obligations

EUR '000	30/06/2021	30/06/2020
Non-current		
Other	208	0
	208	0
Current		
Other taxes	6,971	9,949
Other	23,930	29,166
	30,901	39,115
Total other financial liabilities	**31,109**	**39,115**

Current other financial liabilities decreased year on year by EUR 8,214 thousand. This resulted primarily from payments made in the financial year for the professional squad.

In addition, other financial liabilities include refund liabilities amounting to EUR 103 thousand (previous year: EUR 219 thousand). The refund liability relates to the customer's right to return products within 30 days of purchase. A refund liability and a corresponding adjustment of revenue is recognised at the time of sale for products for which a return is expected.

(15) Prepaid expenses and deferred income

Prepaid expenses

EUR '000	30/06/2021	30/06/2020
Non-current		
Deferred income related to professional squad	867	4,569
Insurance premiums	0	2
Other advance payments	1,227	1,147
	2,094	**5,718**
Current		
Deferred income related to professional squad	8,722	6,560
Insurance premiums	538	604
Other advance payments	3,448	2,737
	12,708	**9,901**

Deferred income

EUR '000	30/06/2021	30/06/2020
Non-current		
Advance payments received from sponsors	0	230
	0	**230**
Current		
Advance payments received from ticket sales	22	2
Advance payments received from sponsors	4,447	2,931
Other advance payments	618	708
	5,087	**3,641**

Current deferred income as reported amounted to EUR 5,087 thousand (previous year: EUR 3,641 thousand), and consisted primarily of proceeds from sponsoring agreements relating to the 2021/2022 season, which are reversed rateably over the periods to which they relate.

In addition, because of the continuing COVID-19 pandemic, the services under sponsorship agreements not rendered in the 2019/2020 and 2020/2021 seasons (EUR 2,259 thousand) were reported under current deferred income. This is transferred to subsequent seasons as compensation.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(16) Revenue

EUR '000	2020/2021	2019/2020
Match operations	554	32,510
Advertising	106,577	98,005
TV Marketing	186,655	169,836
Merchandising	32,640	33,292
Conference, catering, miscellaneous	7,745	36,553
	334,171	**370,196**

Revenue is generated primarily in Germany. It includes prior-period revenue of EUR 2,155 thousand (previous year: EUR 785 thousand). The prior-period income recognised in the financial year related primarily to TV marketing.

(17) Net transfer income

EUR '000	2020/2021	2019/2020
Gross transfer proceeds	24,406	116,688
Transfer costs	-1,285	-7,488
Net transfer proceeds	**23,121**	**109,200**
Residual carrying amount	-7,720	-69,040
Net transfer income	**15,401**	**40,160**

(18) Other operating income

Other operating income increased year on year from EUR 9,195 thousand to EUR 10,377 thousand and consisted mainly of income from insurance reimbursements amounting to EUR 3,796 thousand, income from the reversal of provisions amounting to EUR 1,525 thousand as well as income from reimbursements for granting contractual marketing rights amounting to EUR 941 thousand.

The share of other operating income recognised from prior periods amounted to EUR 2,608 thousand (previous year: EUR 5,033 thousand), of which EUR 1,525 thousand resulted from the reversal of provisions and the derecognition of liabilities.

(19) Cost of materials

Cost of materials decreased from EUR 22,392 thousand to EUR 19,589 thousand. This item consisted mainly of the cost of goods sold for BVB Event & Catering GmbH (EUR 625 thousand; previous year: EUR 4,716 thousand) and BVB Merchandising GmbH (EUR 18,901 thousand; previous year: EUR 17,794 thousand).

(20) Personnel expenses

No defined-benefit pension entitlements have been granted to employees of the BVB Group. Payments to the state pension scheme are reported under social security contributions.

EUR '000	2020/2021	2019/2020
Wages and salaries	207,025	206,939
Social security contributions	8,625	8,218
	215,650	**215,157**

During financial year 2020/2021, EUR 2,647 thousand was paid into the German statutory retirement pension system (previous year: EUR 2,750 thousand).

(21) Depreciation and amortisation

EUR '000	2020/2021	2019/2020
Amortisation of intangible assets	97,440	92,188
Depreciation of property, plant and equipment	13,603	13,942
	111,043	**106,130**

(22) Other operating expenses

EUR '000	2020/2021	2019/2020
Match operations	36,956	47,211
Advertising	10,708	26,989
Transfer deals	4,204	4,654
Retail	6,486	6,463
Administration	22,807	25,352
Other	4,599	8,341
	85,760	**119,010**

Other operating expenses include prior-period expenses in the amount of EUR 762 thousand (previous year: EUR 776 thousand).

(23) Financial result

EUR '000	2020/2021	2019/2020
Net income/loss from investments in associates *(see Note (3))*	81	-1
Finance income		
Interest income in accordance with IFRS 9	252	167
Other interest income	35	120
	287	287
Finance costs		
Discounting expenses and other interest	-554	-2,879
Interest expenses for lease liabilities	-772	-571
Interest expenses in accordance with IFRS 9	-101	-281
	-1,427	-3,731
	-1,059	**-3,445**

(24) Income taxes and deferred taxes

In the current financial year, Borussia Dortmund generated tax income of EUR 342 thousand (previous year: EUR 2,630 thousand) as the result of a trade tax reimbursement.

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

EUR '000	Net as at 30/06/2020	Recognised in profit or loss	Net as at 30/06/2021	Deferred tax assets	Deferred tax liabilities
Intangible assets	5,477	-1,653	3,824	3,824	0
Property, plant and equipment	-6,166	-1,026	-7,192	0	-7,192
Trade receivables and other assets	275	-81	194	194	0
Trade payables	-16,686	1,489	-15,197	0	-15,197
Tax loss carry-forwards	17,100	1,271	18,371	18,371	0
Total	**0**	**0**	**0**	**22,389**	**-22,389**

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

The income tax expense was made up as follows:

EUR '000	2020/2021	2019/2020
Income taxes		
Current period	-60	-40
Prior period	402	-9
Deferred tax benefit/expense in connection with		
the creation or reversal of temporary differences	-1,271	-2,545
Tax loss carryforwards not yet utilised	1,271	5,224
	342	**2,630**

At the end of the reporting period, the Group had corporation tax loss carry-forwards amounting to EUR 118,937 thousand (previous year: EUR 44,270 thousand) and trade tax loss carry-forwards amounting to EUR 100,069 thousand (previous year: EUR 29,492 thousand) for which no deferred tax assets have been recognised. The tax loss carry-forwards have an unlimited carry-forward period.

The expected income tax expense which would theoretically result from applying the weighted average tax rate of 32.81% (previous year: 32.81%) can be reconciled with the actual income tax benefit reported in the consolidated statement of comprehensive income as follows:

EUR '000	2020/2021	2019/2020
Consolidated net profit before income taxes	-73,152	-46,583
Theoretical tax rate in %	*32.81*	*32.81*
Expected tax benefit from income taxes	24,001	15,284
Effects from tax additions and subtractions	988	1,240
Change in ability to utilise tax loss carry-forwards	-24,989	-16,564
Change in deferred taxes	0	2,679
Prior-year taxes	402	-9
Other tax effects	-60	0
Tax income as reported in the consolidated statement of comprehensive income	**342**	**2,630**
Actual tax rate in %	*-0.47*	*-5.64*

(25) Consolidated statement of cash flows

Cash and cash equivalents reported in the statement of financial position amounted to EUR 1,725 thousand (previous year: EUR 3,317 thousand). In addition, liabilities to banks amounting to EUR 56,900 thousand (previous year: EUR 8,031 thousand) were reported during the period under review.

Cash flows from operating activities amounted to EUR 15,947 thousand (previous year: EUR -362 thousand) and cash flows from investing activities amounted to EUR -62,022 thousand (previous year: EUR -50,769 thousand).

Net cash flows from investing activities included transfer proceeds, netted directly against payments linked to transfers amounting to EUR 5,071 thousand (previous year: EUR 8,955 thousand).

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

Reconciliation of change in liabilities to cash flows from financing activities in accordance with IAS 7.44 as at 30 June 2021

EUR '000	Equity			Liabilities/derivatives			
	Subscribed capital	Reserves	Treasury shares	Financial liabilities	Lease liabilities	Other financial liabilities	Total
Balance as at 30 June 2020	**92,000**	**213,560**	**-113**	**8,031**	**24,404**	**39,115**	**376,997**
Proceeds from finance raised	0	0	0	56,900	0	0	56,900
Repayment of lease liabilities	0	0	0	0	-4,386	0	-4,386
Total change in cash flows from financing activities	**0**	**0**	**0**	**56,900**	**-4,386**	**0**	**52,514**
Other changes							
related to liabilities							
Change in financial liabilities	0	0	0	-8,031	0	0	-8,031
Change in other financial liabilities	0	0	0	0	0	-5,673	-5,673
Change in lease liabilities	0	0	0	0	1,042	0	1,042
related to equity							
Consolidated net loss for the year	0	-72,810	0	0	0	0	-72,810
Total other changes related to liabilities	0	0	0	-8,031	1,042	-5,673	-12,662
Total other changes related to equity	0	-72,810	0	0	0	0	-72,810
Balance as at 30 June 2021	**92,000**	**140,750**	**-113**	**56,900**	**21,060**	**33,442**	**344,039**

Reconciliation of change in liabilities to cash flows from financing activities in accordance with IAS 7.44 as at 30 June 2020

EUR '000	Equity			Liabilities/derivatives		
	Subscribed capital	Reserves	Treasury shares	Lease liabilities	Other financial liabilities	Total
Balance as at 30 June 2019	**92,000**	**263,032**	**-113**	**11,508**	**40,859**	**407,286**
Acquisition of minority interests	0	0	0	0	0	0
Payment for settlement of derivatives	0	0	0	0	0	0
Dividend payments	0	-5,519	0	0	0	-5,519
Repayment of lease liabilities	0	0	0	-3,929	0	-3,929
Total change in cash flows from financing activities	**0**	**-5,519**	**0**	**-3,929**	**0**	**-9,448**
Other changes						
related to liabilities						
Change in other financial liabilities	0	0	0	0	-1,744	-1,744
Change in lease liabilities	0	0	0	16,825	0	16,825
related to equity						
Consolidated net loss for the year	0	-43,953	0	0	0	-43,953
Total other changes related to liabilities	0	0	0	16,825	-1,744	15,081
Total other changes related to equity	0	-43,953	0	0	0	-43,953
Balance as at 30 June 2020	**92,000**	**213,560**	**-113**	**24,404**	**39,115**	**368,966**

OTHER DISCLOSURES

FINANCIAL RISKS

(26) Credit risk

The carrying amounts of the following financial instruments reflect the Group's maximum exposure to credit risk. At the end of the reporting period, the maximum exposure was as follows:

Carrying amounts of financial instruments

EUR '000	30/06/2021	30/06/2020
Financial assets, receivables and other financial receivables	40,440	49,607
Cash and cash equivalents	1,725	3,317

When reporting trade receivables, Borussia Dortmund uses the simplified approach whereby expected credit losses are recognised over the entire remaining term upon recognition. Expected credit losses are calculated using the simplified approach, broken down by risk group and taking into account historical default rates. The allocation to the respective risk groups is based on the shared credit risk characteristics. At Borussia Dortmund, these are receivables from transfer deals on the one hand, and other trade receivables related primarily to ticketing, merchandising and sponsorships on the other. Credit loss rates specific to the risk clusters are calculated on the basis of the historical credit loss rates for the past three financial years and taking into account forward-looking macroeconomic indicators (gross domestic product) as well as an assessment of the economic impact of the COVID-19 pandemic. This method of calculation resulted in a loss rate that was insignificantly higher than in the previous year.

Under the simplified approach, loss allowances are recognised on an individual basis if one or more events occur that have a detrimental impact on the creditworthiness of the debtor. These events include default in payment, impending insolvency or concessions by the debtor due to payment difficulties. Trade receivables are written off immediately if their recoverability is no longer expected with sufficient probability. This is the case, for example, when the debtor is in default.

Receivables from transfer deals represent a concentration of risk, which is hedged using transfer rights.

The change in loss allowances on the basis of the expected credit losses for trade receivables as at 30 June 2021 is presented in the table below:

EUR '000	2020/2021	2019/2020
Loss allowances as at 1 July in accordance with IFRS 9	**3,982**	**1,852**
Transfers recognised in profit or loss	497	2,552
Reversals recognised in profit or loss	-626	-427
Items recognised outside profit or loss	-2,675	0
Loss allowances in accordance with IFRS 9	4	5
Loss allowances as at 30 June	**1,182**	**3,982**

The maturities of trade receivables, including other financial receivables, as at the end of the reporting period were as follows:

Maturity analysis of receivables

EUR '000	30/06/2021	30/06/2020
Not yet due	38,893	48,767
Less than 30 days past due	870	358
Between 30 and 89 days past due	565	74
More than 90 days past due	0	1
	40,328	**49,200**

Cash and cash equivalents relate to bank balances and short-term investments in the form of overnight and time deposits. Borussia Dortmund only deposits money at banks with investment grade ratings. Furthermore, the creditworthiness of the banks is regularly monitored on the basis of credit default swaps (CDS).

Due to the short investment term and the creditworthiness of the banks, cash and cash equivalents are subject to a low level of credit risk. Thus, as in the previous year, no material loss allowances had been recognised.

The table below contains information on the credit risk and the expected credit losses according to the classes of receivables defined by Borussia Dortmund as at 30 June 2021:

30 June 2021

EUR '000	Gross carrying (EUR '000)	Default rate (%)	Expected credit losses (EUR'000)
Receivables from transfer deals	17,584	0.08	14
Other trade receivables	15,416	0.08	12
Total	**33,000**		**26**

30 June 2020

EUR '000	Gross carrying (EUR '000)	Default rate (%)	Expected credit losses (EUR'000)
Receivables from transfer deals	24,103	0.06	14
Other trade receivables	14,008	0.06	9
Total	**38,111**		**23**

(27) Exchange rate risk

As at 30 June 2021, the Group had financial liabilities amounting to GBP 10,000 thousand that are exposed to exchange rate risk. In order to fully hedge the currency risk, EUR/GBP currency forwards with matching maturities and a notional volume of GBP 10,000 thousand have been entered into, which are not part of an IFRS 9 hedge accounting relationship and are therefore accounted for on a stand-alone basis.

A strengthening (weakening) of the pound sterling (GBP) against the euro (EUR) by +10% (-10%) would not have any material effect on the statement of comprehensive income as at 30 June 2021, as the changes in value of the financial liabilities and the currency forwards offset each other in the statement of comprehensive income.

(28) Interest rate risk

As in the previous year, Borussia Dortmund's portfolio only included non-derivative financial instruments bearing fixed interest as at 30 June 2021. Of those, only the financial instruments that are measured at fair value through profit or loss are subject to interest rate risk. Please refer to the disclosures on receivables intended for factoring and measured at fair value in Note 31.

Carrying amounts of non-derivative interest-bearing financial instruments

EUR '000	30/06/2021		30/06/2020	
	Fixed interest	**Variable interest**	**Fixed interest**	**Variable interest**
Financial assets, receivables and other financial receivables	40,440	0	49,607	0
Financial liabilities from leases	21,060	0	24,404	0

(29) Net gains/losses

The net gains and losses from financial instruments presented below comprise measurement gains and losses, premium and discount amortisation, the recognition and reversal of impairment write-downs, interest and all other earnings impacts from financial instruments.

Net gains and losses from financial instruments

Measurement category in accordance with IFRS 9

(EUR '000)	2020/2021	2019/2020
Financial assets measured at amortised cost	**-13**	**-3,276**
Of which net interest expense/income	-13	-1,142
Financial assets measured at fair value through profit or loss	**252**	**-115**
Of which net interest expense/income	252	-115
Financial liabilities measured at amortised cost	**-1,379**	**-2,187**
Of which net interest expense/income	-1,379	-2,187
Net gains/losses from financial instruments	**-1,140**	**-5,578**
Of which net interest expense/income	-1,140	-3,444

(30) Liquidity risk

The following table shows the contractually arranged undiscounted payments of interest and principal in respect of financial liabilities. Whenever a right of termination exists, the figures are reported as at the earliest possible termination date.

Maturities of contractual cash flows from financial liabilities in 2021

EUR '000	Lease liabilities	Trade and other financial liabilities	Total
2021/2022	4,931	83,360	88,291
2022/2023	4,939	37,052	41,991
2023/2024	2,846	302	3,148
2024/2025	1,873	52	1,925
2025/2026	1,448	52	1,500
2026 and beyond	7,763	0	7,763
	23,800	**120,818**	**144,618**

Maturities of contractual cash flows from financial liabilities in 2020

EUR '000	Lease liabilities	Trade and other financial liabilities	Total
2020/2021	5,135	67,432	72,567
2021/2022	4,670	40,150	44,820
2022/2023	4,753	27,137	31,890
2023/2024	2,694	2,340	5,034
2024/2025	1,769	0	1,769
2025 and beyond	8,569	0	8,569
	27,590	**137,059**	**164,649**

(31) Fair values of financial instruments by class and category

The table below provides a reconciliation of the individual classes and categories of IFRS 9 to the items of the statement of financial position and the fair values as at 30 June 2021:

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2021	Fair value 30/06/2021
ASSETS		
At amortised cost		
Non-current financial assets	27	27
Non-current trade and other receivables	5,775	5,775
Current trade and other receivables	29,936	29,936
Cash and cash equivalents	1,725	1,725
At fair value through profit or loss		
Receivables intended for factoring	4,617	4,617
Total	**42,080**	**42,080**

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2021	Fair value 30/06/2021
LIABILITIES		
At amortised cost		
Other non-current financial liabilities	208	208
Non-current lease liabilities	16,819	n/a
Non-current trade payables	37,250	37,250
Current financial liabilities	56,900	56,900
Current lease liabilities	4,241	n/a
Current trade payables	64,103	64,103
Other current financial liabilities	33,234	33,234
Total	**212,755**	**191,695**

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2020	Fair value 30/06/2020
ASSETS		
At amortised cost		
Non-current financial assets	32	32
Non-current trade and other receivables	3,565	3,565
Current trade and other receivables	36,520	36,520
Cash and cash equivalents	3,317	3,317
At fair value through profit or loss		
Receivables intended for factoring	9,115	9,115
Total	**52,549**	**52,549**

Measurement category in accordance with IFRS 9

EUR '000	Carrying amount 30/06/2020	Fair value 30/06/2020
LIABILITIES		
At amortised cost		
Other non-current financial liabilities	0	0
Non-current lease liabilities	20,054	n/a
Non-current trade payables	69,627	69,627
Other trade payables	8,031	8,031
Current lease liabilities	4,350	n/a
Current trade payables	67,432	67,432
Other current financial liabilities	39,115	39,115
Total	**208,609**	**184,205**

Any necessary transfers between the levels of the fair value hierarchy take place as at the end of the financial year in which the event triggering them occurs. There were no reclassifications in the current financial year. The fair value of receivables earmarked for factoring is assigned to level 3 and the fair value of all other financial instruments specified above is assigned to level 2.

Due to their short residual terms, the carrying amounts reported for current trade receivables and payables and cash are roughly equivalent to their fair values.

Non-current trade receivables and liabilities are discounted to present value and accrue interest. In these cases, the carrying amounts largely correspond to fair value.

Receivables that can potentially be sold as part of factoring are recognised at fair value through profit or loss on the basis of the business model in

accordance with the requirements of IFRS 9. The fair value is measured by discounting the cash flows. The measurement models take into account the present value of the expected payments, discounted using a risk-adjusted discount rate. Borussia Dortmund regularly receives an individually-calculated discount rate from the factor (30 June 2021: 2.65%). Thus, the fair value would increase (decrease) at the same rate if the discount rate were lower (higher). Since the changes in fair value are recognised in the income statement, the table below presents the effects on earnings as at the end of the reporting period:

EUR '000	
Carrying amount of receivables intended for factoring (1 July 2020)	9,115
Additions	0
Disposals	-4,750
Gains/losses recognised through profit or loss	252
Carrying amount of receivables intended for factoring (30 June 2021)	**4,617**

The fair value of other financial assets and liabilities is measured using the discounted cash flow valuation technique. The discount rates used were taken from the "Yields on listed Federal securities" as published by the Bundesbank at the end of the reporting period, plus a risk premium. The discount rates valid at the end of the reporting period had matching maturities and formed the basis of the valuation model.

(32) Earnings per share

Earnings per share are calculated in accordance with IAS 33 (Earnings Per Share) by dividing the net profit or loss for the period attributable to the shareholders of the parent by the weighted average number of shares outstanding. Earnings per share relate only to shares in the parent company. Since there are no potential ordinary shares, basic and diluted earnings per share are the same.

(33) Transactions with related parties

The general partner in Borussia Dortmund GmbH & Co. KGaA is Borussia Dortmund Geschäftsführungs-GmbH. The latter is responsible for the management and legal representation of Borussia Dortmund GmbH & Co. KGaA. The power to appoint and remove members of staff thus rests with BV. Borussia 09 e.V., Dortmund, in its capacity as the sole shareholder in Borussia Dortmund Geschäftsführungs-GmbH. Both Borussia Dortmund Geschäftsführungs-GmbH and BV. Borussia 09 e.V. Dortmund, as well as all companies associated therewith hence are deemed to be related parties in accordance with IAS 24.

Please refer to Notes 37 and 39 for further disclosures on the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA and the management of BVB Geschäftsführungs-GmbH.

Related Party Disclosures

EUR '000	2020/2021	2019/2020
Transactions with BV. Borussia 09 e.V. Dortmund		
Rental income	291	329
Income from other services	187	411
Income from ticket sales	0	104
Transactions with Borussia Dortmund Geschäftsführungs-GmbH		
Expense from costs recharged	4,127	3,917
of which from executive remuneration falling due	3,818	3,588
Transactions with Orthomed GmbH		
Expense from other services	322	322

EUR '000	30/06/2021	30/06/2020
Other current and non-current assets		
Intercompany account with BV. Borussia 09 e.V. Dortmund	63	39
Other current liabilities		
Intercompany account with Borussia Dortmund Geschäftsführungs-GmbH	2,126	1,933

In addition, transactions were entered into with members of the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA and the management and Advisory Board of BVB Geschäftsführungs-GmbH (merchandising, tickets, sponsorship, events and travel services) amounting to EUR 102 thousand (previous year: EUR 213 thousand). These transactions were conducted at arm's length.

(34) Other financial obligations

EUR '000		Due after		
30/06/2021	Total	less than 1 year	1–5 years	more than 5 years
Rental and lease payments	893	582	271	40
Marketing fees	38,700	7,259	31,441	0
Other obligations	2,986	844	2,007	135
	42,579	**8,685**	**33,719**	**175**
Purchase commitments	16,000	5,500	10,500	0

In financial year 2020/2021, EUR 1,060 thousand in rental and lease payments were expensed for leases within the meaning of IFRS 16.6.

EUR '000		Due after		
30/06/2020	Total	less than 1 year	1–5 years	more than 5 years
Rental and lease payments	1,301	536	700	65
Marketing fees	45,410	6,075	30,587	8,748
Other obligations	3,301	840	2,321	140
	50,012	**7,451**	**33,608**	**8,953**
Purchase commitments	0	0	0	0

In financial year 2019/2020, EUR 897 thousand in rental and lease payments were expensed for leases within the meaning of IFRS 16.6.

The minimum lease payments relate mostly to lease agreements for offices and various motor vehicles. The purchase commitments relate primarily to the acquisition of intangible assets.
In addition, a total of EUR 33,846 thousand (previous year: EUR 41,186 thousand) in variable payment obligations under existing agreements with conditions precedent were reported as at 30 June 2021, of which EUR 18,400 thousand (previous year: EUR 26,604 thousand) were due in less than one year.

(35) Events after the end of the reporting period

Transfer deals

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

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

Capital expenditure

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

Match operations

On 4 December 2020, the DFB Executive Committee adopted the new fixture calendar for the 2021/2022 season. This stipulated that Bundesliga matches would start on the weekend of 13 to 15 August 2021. The 34th and final Bundesliga match day is scheduled for 14 May 2022.
The DFB Cup will start with the first round one week before the Bundesliga from 6 August 2021.
The DFL Super Cup between Borussia Dortmund and Bayern Munich will be played on 17 August 2021.
The dates for the UEFA Champions League have also already been set: the first match day of the group stage will be played on 14/15 September 2021.

(36) Average number of salaried employees

	2020/2021	2019/2020
Total	**806**	**902**
of which in the Athletics Department	233	273
of which trainees	8	15
of which other	565	614

(37) Management

Management remuneration

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

The members of management received remuneration within the meaning of IAS 24.17 (a) in the 2020/2021 financial year.

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

EUR 23 thousand in employer contributions to the German statutory retirement pension system were incurred (previous year: EUR 23 thousand).

(38) Auditors' fees

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

EUR '000	2020/2021	2019/2020
Audit services	277	256
Other audit-related work	50	50
Tax advisory services	1	2
Other services	0	2

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

The other advisory services relate to confirmations in connection with licensing procedures.

Advisory services relating to the General Data Protection Regulation were reported under other services in the previous year.

(39) Supervisory Board

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

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. KGaA

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

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

48	36	24	9	24	24	24	24	24	15

OCCUPATIONS (as at 30 June 2021)

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

OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 30 June 2021)

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

(40) Exercise of the exemption option pursuant to § 264 (3) HGB

The preparation of consolidated financial statements effectively exempts BVB Merchandising GmbH and BVB Event & Catering GmbH from the obligation to prepare annual financial statements within the meaning of § 264 (3) HGB.

(41) Notifiable shareholdings

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

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

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

PUMA SE, Herzogenaurach, Germany, notified us on 17 February 2021, that its share of voting rights in Borussia Dortmund GmbH & Co. KGaA amounted to 4.99% on 16 February 2021 (4,599,900 voting rights or shares) and that all of their voting rights were held directly by PUMA SE in accordance with § 33 WpHG.

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

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

(42) Shareholdings by members of governing bodies

As at 30 June 2021, one member of management held 7,045 no-par value shares in the Company. As at the same date, the members of the Supervisory Board held a total of 8,602,009 no-par value shares. Members of management and the Supervisory Board hold a total of 8,609,054 no-par-value shares, which corresponds to more than 1% of the shares issued by Borussia Dortmund GmbH & Co. KGaA.

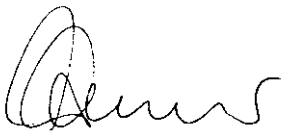
(43) Corporate Governance

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

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

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director



Carsten Cramer
Managing Director

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

INDEPENDENT AUDITOR'S REPORT

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

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

Opinions

We have audited the consolidated financial statements of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund ("Borussia Dortmund") and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of June 30, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from July 1, 2020 to June 30, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien for the financial year from July 1, 2020 to June 30, 2021.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of June 30, 2021, and of its financial performance for the financial year from July 1, 2020, to June 30, 2021, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of those components of the group management report specified in the "Other Information" section of the auditor's report. The group management report contains cross-references that are not required by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) [Institute of Public Auditors in Germany]. Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from July 1, 2020 to June 30, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

We refer to the information in the notes to the consolidated financial statements on accounting policies (Section: Intangible assets) and to the explanatory notes to the consolidated statement of financial position (Section (1) Intangible assets, (8) Assets held for sale and (13) Trade payables).

THE CONSOLIDATED FINANCIAL STATEMENT RISK

Player registrations in the amount of EUR 192.4 million are presented under intangible assets in the consolidated financial statements of Borussia Dortmund. Player registrations decreased to EUR 192.4 million in the financial year ended due to additions of EUR 58.7 million, disposals of EUR 0.8 million, write-downs of EUR 87.9 million and reclassifications of EUR 1.4 million. Trade payables include transfer liabilities of EUR 87.7 million.

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

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

OUR AUDIT APPROACH

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

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

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

OUR OBSERVATIONS

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

Completeness and accuracy of personnel expenses of the professional squad

We refer to the information in the notes to the consolidated financial statements under explanatory notes to the statement of comprehensive income (Section (20) Personnel expenses).

THE CONSOLIDATED FINANCIAL STATEMENT RISK

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

OUR AUDIT APPROACH

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

OUR OBSERVATIONS

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

Other information

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

- the Group's separate non-financial report, which is referred to in the group management report, and
- the corporate governance statement referred to in the group management report.

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

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

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

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

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express

opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

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

We have performed assurance work in accordance with Section 317 (3b) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the file that can be downloaded by the issuer from the electronic client portal with access protection, "05-08-2021-17-35_xbrl_file.zip"; [SHA256-hash value: bf0472ef5c230990 b635e8b8a6e0054a897d24d0761d3f15f997a413bc41 6fea] and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting

format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from July 1, 2020, to June 30, 2021 contained in the "Report on the Audit of the Consolidated Financial Statements and the Group Management Report" above.

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

The company's management is responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the group management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

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

The company's management is also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited consolidated financial statements and audited group management report as well as other documents to be published to the operator of the German Federal Gazette [Bundesanzeiger].

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

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

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

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the annual general meeting on November 19, 2020. We were engaged by the supervisory board on January 18, 2021. We have been the group auditor of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien without interruption since financial year 2009/2010.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Ralph Fischer.

Dortmund, 9 August 2021
KPMG AG Wirtschaftsprüfungsgesellschaft
[Original German version signed by]

Fischer
Wirtschaftsprüfer
[German Public Auditor]

Huperz
Wirtschaftsprüfer
[German Public Auditor]

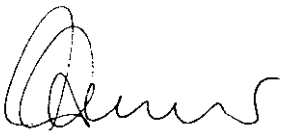
RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting princi-ples, the consolidated financial statements give a true and fair view of the assets, liabili-ties, financial position and profit or loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

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

Hans-Joachim Watzke
Managing Director (Chairman)

Thomas Treß
Managing Director



Carsten Cramer
Managing Director

FINANCIAL CALENDAR

12 November 2021
Disclosure of the quarterly financial report – Q1 fiscal year 2021/2022

2 December 2021
Annual shareholders meeting 2021

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