GROUP MANAGEMENT REPORT

Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

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Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund for the 2021/2022 financial year
(hereinafter also "Borussia Dortmund" or the "Group")

BUSINESS TREND
Looking back on financial year 2021/2022

ATHLETIC PERFORMANCE

COVID-19 pandemic

The effects of the COVID-19 pandemic continued to be felt in the 2021/2022 financial year. Borussia Dortmund could at least welcome back an average of approximately 38,000 spectators to matches at SIGNAL IDUNA PARK over the 2021/2022 season in line with the changing Corona Protection Regulations. On a positive note, the last four Bundesliga home matches could each be played to an almost sell-out crowd – even if the regulatory requirements imposed in response to COVID-19 prevented us from reaching pre-pandemic attendance levels this season.

Bundesliga

Borussia Dortmund chalked up 69 points in the 2021/2022 Bundesliga season to finish in second place behind FC Bayern Munich. As runners-up, Borussia Dortmund qualified directly for the group stage of the UEFA Champions League in the 2022/2023 season.

UEFA Champions League/ UEFA Europa League

After winning three of six fixtures in the group stage of the UEFA Champions League, Borussia Dortmund finished third in group C with the same number of points as second-place Sporting Lisbon. As such, Borussia Dortmund was eliminated from the UEFA Champions League and instead transferred to the UEFA Europa League. In the knockout round play-offs, Borussia Dortmund was unable to clinch victory over subsequent finalists Glasgow Rangers and exited the competition after two matches.

DFB Cup

Borussia Dortmund beat SV Wehen Wiesbaden and FC Ingolstadt in the first two rounds of the DFB Cup, before being knocked out by FC St. Pauli in the round of 16.

DFB cup 1st round
7 August 2021
SV Wehen Wiesbaden - BVB 0:3

1st match day
14 August 2021
BVB - Eintracht Frankfurt 5:2

PERFORMANCE INDICATORS

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

Financial performance indicators

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

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

A further financial performance indicator is consolidated total operating proceeds. These are calculated as total revenue plus the gross transfer proceeds generated. This indicator is used to reflect the Group's earnings power and as a source of funding for ordinary activities.

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

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

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

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

DFL-Supercup
17 August 2021
BVB - Bayern München 1:3

2nd match day
21 August 2021
SC Freiburg - BVB 2:1

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

Non-financial performance indicators

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

The reach of Borussia Dortmund's brand is determined by a number of criteria that, when taken together, are representative of the brand's reach.
Some of these criteria are measureable, while others are not. Nevertheless, they are a reflection of the Company's appeal.

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

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

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

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

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

3rd match day
27 August 2021
BVB - TSG Hoffenheim 3:2

4th match day
11 September 2021
Bayer Leverkusen - BVB 3:4

DEVELOPMENT OF THE MARKET AND COMPETITIVE ENVIRONMENT

Sponsorships

Borussia Dortmund again had two kit sponsors for the 2021/2022 season. Evonik Industries AG is the kit sponsor for all international club competitions, friendlies staged abroad and DFB Cup matches. 1&1 Telecommunication SE is the kit sponsor for Borussia Dortmund's Bundesliga appearances.

Borussia Dortmund and the SIGNAL IDUNA Group extended their partnership early until 30 June 2031, opening a new chapter in their long shared history that dates back to 1974.

Borussia Dortmund added General Logistics Systems Germany GmbH & Co. OHG (GLS) as a new Champion Partner for the 2021/2022 season. In addition to being Borussia Dortmund's official logistics partner, GLS is also the club's sleeve sponsor for international competitions and the DFB Cup.

Borussia Dortmund and Sky Deutschland GmbH entered into a comprehensive and long-term cooperation agreement covering content, sales and marketing for a minimum of four years beginning with the 2021/2022 season.

Borussia Dortmund also extended its partnership with the online sports betting company bwin, which joined on as a Champion Partner in 2017, by a further three seasons until 30 June 2024.

Borussia Dortmund is also extending its partnership with Radeberger Gruppe KG in place since 2008, which means that Brinkhoff's beer will continue to be served at SIGNAL IDUNA PARK at least until the end of the season in 2028.

Furthermore, Borussia Dortmund is continuing its successful partnership with European IT security company ESET. The cooperation with this Champion Partner, which also acts as Borussia Dortmund's IT security partner, was extended by two more years until 30 June 2025.

Borussia Dortmund signed a far-reaching partnership agreement with its newest Premium Partner, the sports brand KETTLER, for an initial term of one year.

Borussia Dortmund extended the contract with its Premium Partner REWE Dortmund SE & Co. KG until 30 June 2026.

A two-year extension was also agreed with Eurowings, which has been a Borussia Dortmund Premium Partner since the 2016/2017 season. The stand-out symbol of this partnership is the team

1st match day UCL
15 September 2021
Besiktas Istanbul - BVB 1:2

5th match day
19 September 2021
BVB - Union Berlin 4:2

Airbus, which flies Borussia Dortmund to its European away matches, as well as the fan Airbus, which was rolled out in May 2022 in a special black and yellow paint scheme that the team's fans had a hand in designing.

Borussia Dortmund and ATLAS, Europe's largest safety footwear manufacturer, extended their premium partnership by five years until 30 June 2027.

Borussia Dortmund and Frostkrone Food Group, partners since January 2017, also extended their partnership by a further two years until 30 June 2023. Frostkrone in particular also sponsored Borussia Dortmund's foray into e-football in October 2020.

Dortmunder Stadtwerke AG (DSW21) will remain a partner of Borussia Dortmund's until at least the end of the 2023/2024 season.

Since April 2022, Borussia Dortmund has operated "BVBBusinessNetzwerk", an exclusive network that brings together valuable B2B contacts on a whole new level and further deepens the club's friendly relationships with sponsors, partners and customers – and between those groups.

Despite the restrictions on spectator numbers imposed in response to the pandemic, Borussia Dortmund met almost all of its contractual service obligations in the hospitality areas during the 2021/2022 season. Given the current infection rates and barring any policy decisions to the contrary, it assumes that it will likewise be able to do so in the 2022/2023 season.

Transfer deals

Six players left Borussia Dortmund in the summer of 2021. Jadon Sancho transferred to Manchester United. After loaning Leonardo Balerdi last season, Ligue 1 side Olympique Marseille exercised its buy option to permanently secure the defender's services. Thomas Delaney now competes in the Champions League with La Liga's Sevilla FC. Sergio Gómez had spent both the 2019/2020 and 2020/2021 seasons on loan to Spanish side SD Huesca, and Borussia Dortmund has now reached an agreement to transfer him to Belgian championship record-holders RSC Anderlecht on a permanent basis. Jeremy Toljan permanently joined Serie A side U.S. Sassuolo after spending two years on loan with the club. Łukasz Piszczek ended his career after eleven years at BVB.
During the winter transfer window, Borussia Dortmund loaned midfielder Ansgar Knauff to Europa League champions Eintracht Frankfurt until 30 June 2023. Tobias Raschl transferred to Bundesliga rivals Spielvereinigung Greuther Fürth.
In March 2022, Borussia Dortmund and goalkeeper Roman Bürki agreed to prematurely terminate their contract, which ran until 30 June 2023, with effect from the end of the current season.
In May 2022, Borussia Dortmund reached an agreement with top-flight English club Manchester City to transfer striker Erling Haaland with effect

6th match day
25 September 2021
Bor. M'gladbach - BVB 1:0

2nd match day UCL
28 September 2021
BVB - Sporting Lissabon 1:0

as at 1 July 2022. Steffen Tigges is another striker leaving Borussia Dortmund. He will join Bundesliga rivals 1. FC Cologne at the start of the coming season. Goalkeeper Marwin Hitz will be plying his trade at Swiss first division side FC Basel. Borussia Dortmund will not be renewing the contracts with Axel Witsel and Dan-Axel Zagadou, which expire on 30 June 2022, and the two players will leave for other teams.

Marin Pongračić and Reinier Jesus Carvalho will also be leaving Borussia Dortmund when their loans end on 30 June 2022. Marcel Schmelzer ended his career after 17 years at the club.

Capital expenditure

Borussia Dortmund signed three new players in the summer of 2021. Dutch international Donyell Malen joined Borussia Dortmund from PSV Eindhoven, signing a contract that runs until 30 June 2026. In addition, the club welcomed goalkeeper Gregor Kobel from Bundesliga rivals VfB Stuttgart, granting the 24-year-old a contract that runs until 30 June 2026. Borussia Dortmund also loaned Marin Pongračić from VfL Wolfsburg until 30 June 2022.

Furthermore, Borussia Dortmund welcomed back Marius Wolf from 1. FC Cologne and Immanuel Pherai from PEC Zwolle following spells on loan. In February 2022, Borussia Dortmund signed Germany international Niklas Süle from the 2022/2023 season on a four-year free transfer from championship record-holders FC Bayern Munich. In May 2022, Borussia Dortmund announced the signing of Germany international Nico Schlotterbeck from Bundesliga rivals SC Freiburg. The centre back signed a contract that runs from the start of the 2022/2023 season until 30 June 2027. Furthermore, Borussia Dortmund signed striker Karim Adeyemi from Austrian champions RB Salzburg. The Germany international likewise signed a contract until 30 June 2027. Midfielder and Turkey international Salih Özcan transferred to Borussia Dortmund from Bundesliga rivals 1. FC Cologne after signing a contract that runs until 30 June 2026. Borussia Dortmund signed goalkeeper Alexander Meyer from second-division SSV Jahn Regensburg to serve as number two behind Gregor Kobel. The contract runs until 30 June 2024.

TV Marketing

One of the main tasks of the German Football League (DFL Deutsche Fußball Liga GmbH) is to allocate media exploitation rights at national and international level for first and second Bundesliga division matches as well as for the Super Cup and relegation/promotion play-offs. DFL e.V. distributes the resulting income to recipients including the clubs of the first and second Bundesliga divisions. The media rights to German professional football are allocated every four years for four seasons at a time. The tendering process for the media rights, which is reviewed by competition regulator the German Federal Cartel Office, is open, transparent and non-discriminatory.

7th match day
2 October 2021
BVB - FC Augsburg 2:1

8th match day
16 October 2021
BVB - FSV Mainz 05 3:1

The media rights currently allocated relate to the 2021/2022 to 2024/2025 seasons. The clubs can expect income averaging EUR 1.1 billion for these four seasons, corresponding to EUR 4.4 billion in total. The distribution of the TV marketing income was resolved in December 2020. Greater stability and more solidarity are the objectives. In light of the decline in income from national media rights, the consolidation being seen on international markets and the significant decrease in revenue at the club level during the COVID-19 pandemic, the objective of the distribution system is primarily to ensure stability during this period of uncertainty, while setting the course for the future and promoting solidarity at the same time. This offers Bundesliga clubs a solid planning basis during the current difficult situation. Nevertheless, seasons without interruptions as well as timely payments by partners in line with their contracts are essential for ensuring the amount and timing of the envisaged distribution payouts.

The COVID-19 pandemic is also affecting international TV marketing from UEFA competitions. The pandemic-related losses for clubs competing in the UEFA Champions League amount to EUR 416.5 million in the 2019/2020 season and EUR 57.3 million in the 2020/2021 season. So as to stretch the adverse effects out over a longer period, it was decided that the EUR 416.5 million would be withheld from distributions in equal shares (of EUR 83.4 million) over five seasons from 2019/2020 to 2023/2024 and the EUR 57.3 million in equal shares (of EUR 14.3 million) over four seasons from 2020/2021 to 2023/2024. In specific terms, UEFA will make the deductions before distributing funds to the clubs. Nevertheless, the potential income from UEFA competitions remains extremely lucrative. Borussia Dortmund benefited from the distributions by competing in the group stage of the UEFA Champions League and the knockout round play-offs of the UEFA Europa League this season. It will do the same in the coming season after having again qualified for the group stage of the UEFA Champions League.
For the 2024/2025 season, the UEFA Champions League will follow a new format. A total of 36 teams will play eight matches in a single league, signalling a departure from the six matches played under the current format's 32-team group stage. This will likely further boost the international TV marketing income generated from competing in the UEFA Champions League.

Match operations

Borussia Dortmund could at least welcome back an average of approximately 38,000 spectators to matches at SIGNAL IDUNA PARK over the 2021/2022 season in line with the changing Corona Protection Regulations. On a positive note, the last four Bundesliga home matches could each be played to an almost sell-out crowd – even if the regulatory requirements imposed in response to COVID-19 prevented us from reaching pre-pandemic attendance levels this season.

3rd match day UCL
19 October 2021
Ajax Amsterdam - BVB 4:0

9th match day
23 October 2021
Arminia Bielefeld - BVB 1:3

Given the current infection rates and barring any policy decisions to the contrary, Borussia Dortmund assumes that it will be able to welcome significantly more spectators to SIGNAL IDUNA PARK in the 2022/2023 season than it could this season, which would have a positive effect on ticketing and catering income in comparison with the figures for the past season.

As one financial year draws to a close it is customary for season tickets to go on sale for the next season. Season ticket sales had to be put on hold in the past two years due to the uncertainties surrounding COVID-19, but have now recommenced, and the customary limit of 55,000 season tickets sold was reached.

Other

After an in-depth analysis of the season attended by Marco Rose as well as Hans-Joachim Watzke (Chairman of the Management), Michael Zorc (Sporting Director), Sebastian Kehl (Head of the Professional Squad) and Matthias Sammer (external advisor), Borussia Dortmund decided to part ways with Marco Rose and his assistant coaches early. Edin Terzic, who as caretaker coach led the team to victory in the DFB Cup last year and most recently served as technical director, will coach the professional squad from the coming season on a contract that runs until 30 June 2025. As head coach, Edin Terzic will be joined by Peter Hermann and Sebastian Geppert who will round off the coaching staff.

After 44 years playing for and working at the club, Sporting Director Michael Zorc is leaving Borussia Dortmund effective 30 June 2022. From 1 July 2022 he will be replaced as Sporting Director by Sebastian Kehl, who since the start of the 2018/2019 season has worked as Head of the Professional Squad. His contract runs until 30 June 2025.

U19 coach Mike Tullberg, who won the league title with his team this season, has extended his contract early until 30 June 2026.

On 16 September 2021, Borussia Dortmund, with the consent of the Supervisory Board, resolved to increase its capital by means of a rights issue against cash contributions utilising the existing authorised capital. The share capital was increased by EUR 18,396 thousand from its current level of EUR 92,000 thousand to EUR 110,396 thousand by issuing 18,396,220 new no-par value ordinary bearer shares. The issue price per new share amounted to EUR 4.70. The subscription ratio was set at 5:1. Borussia Dortmund generated gross issue proceeds of EUR 86,462 thousand from the capital increase. Borussia Dortmund used the proceeds from the capital increase to repay its financial liabilities. They will also be used to offset any losses arising due to the impact of any as yet unexpected further COVID-19-related measures or restrictions on the Company's business activities and liquidity fluctuations during the pandemic, and

DFB cup 2nd round
26 October 2021
BVB - FC Ingolstadt 2:0

10th match day
30 October 2021
BVB - 1. FC Köln 2:0

invest in the professional squad. This capital increase by means of a rights issue was successfully implemented and the resulting cash inflow received in October 2021.

At its meeting on 20 September 2021, the Supervisory elected its Deputy Chairman Christian Kullmann to serve as its new Chairman, effective 25 September 2021. Christin Kullmann replaced Gerd Pieper, left the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA at the end of 24 September 2021. Ulrich Leitermann will take over as the Deputy Chairman. At the virtual Annual General Meeting held on 2 December 2021, Dr Bernhard Pellens, Professor of International Corporate Accounting and Academic Director of the Institute of Management (ifu) at Ruhr University Bochum, was elected to the Supervisory Board with 86% of the vote.

At its meeting on 2 December 2021, the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA resolved to form an Audit Committee and appointed its members. Dr Bernhard Pellens was elected Chairman of the Audit Committee, Mr Ulrich Leitermann as Deputy Chairman of the Audit Committee and Ms Silke Seidel as a member of the Audit Committee.

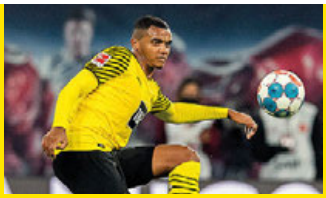
The girl's and women's football programme at Borussia Dortmund successfully kicked off its inaugural 2021/2022 season in the local league. Instead of acquiring the licence of another professional club, we are organically developing and promoting girl's and women's football from within our club. The BVB women won every competitive match in their first local league season, making the convincing leap to the county league where they will compete in the coming season.

At the start of September 2021, BVB's official Twitch channel, which now has more than 70,000 followers, celebrated its one-year anniversary.

In the current financial year, Borussia Dortmund published its fifth Sustainability Report* entitled "United by Borussia! Borussia leads the way!" at *https://verantwortung.bvb.de/2019/en/home-en/*.

** In accordance with the statutory requirements, the Sustainability Report does not fall under the scope of Deloitte GmbH Wirtschaftsprüfungsgesellschaft's audit of the consolidated financial statements.*

4th match day UCL
3 November 2021
BVB - Ajax Amsterdam 1:3



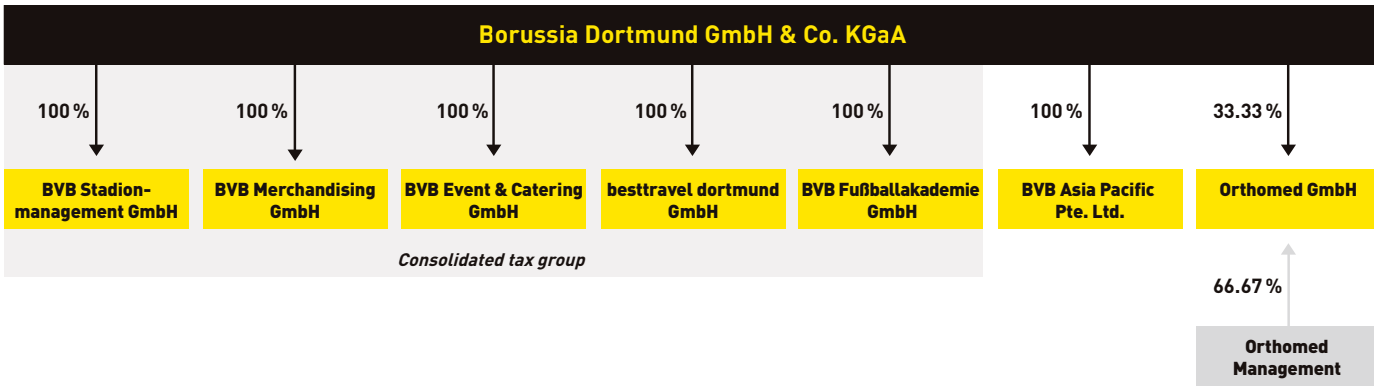
11th match day
6 November 2021
Rasenballsport Leipzig - BVB 2:1

GENERAL INFORMATION ABOUT THE COMPANY

GROUP STRUCTURE AND BUSINESS OPERATIONS

In addition to its core activities of playing football and marketing SIGNAL IDUNA PARK, Borussia Dortmund has established football-related lines of business. The Company currently holds indirect and direct equity investments in the following companies: BVB Stadionmanagement GmbH (100.00%), BVB Merchandising GmbH (100.00%), BVB Event & Catering GmbH (100.00%), BVB Asia Pacific Pte. Ltd. (100.00%), besttravel dortmund GmbH (100.00%), BVB Fußballakademie GmbH (100.00%) and Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (Orthomed GmbH) (33.33%).

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



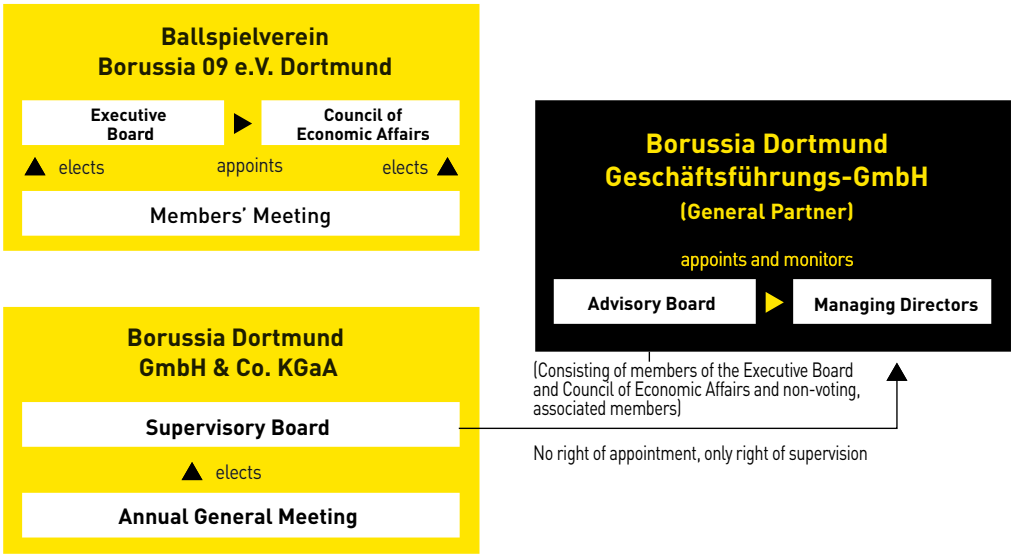
12th match day
20 November 2021
BVB - VfB Stuttgart 2:1

5th match day UCL
24 November 2021
Sporting Lissabon - BVB 3:1

ORGANISATION OF MANAGEMENT AND CONTROL

Borussia Dortmund Geschäftsführungs-GmbH, the general partner of Borussia Dortmund GmbH & Co. KGaA, is responsible for management and representation of the latter. Borussia Dortmund Geschäftsführungs-GmbH is for its part represented by Managing Directors Hans-Joachim Watzke (Chairman), Thomas Treß and Carsten Cramer; its sole shareholder is Ballspielverein Borussia 09 e.V. Dortmund.

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



The Supervisory Board of Borussia Dortmund GmbH & Co. KGaA, which is appointed by the Annual General Meeting, has limited rights and duties. It has no authority with respect to matters involving personnel, i.e., no authority to appoint and dismiss managing directors at Borussia Dortmund Geschäftsführungs-GmbH or to stipulate the terms of their contracts. Nor is the Supervisory Board authorised to adopt internal rules of procedure or to define a list of transactions requiring its consent on behalf of the general partner. Rather, such rights and duties are vested in the governing bodies of Borussia Dortmund Geschäftsführungs-GmbH, namely its Advisory Board and the Executive Committee created by the Advisory Board.

The names of the members of the Company's Supervisory Board in the 2021/2022 financial year, their right to remuneration, their occupations and their further responsibilities on other management bodies are listed below:

13th match day
27 November 2021
VfL Wolfsburg - BVB 1:3

14th match day
4 December 2021
BVB - Bayern München 2:3

SUPERVISORY BOARD of Borussia Dortmund GmbH & Co. KGaA

Christian Kullmann	Ulrich Leitermann	Bernd Geske	Judith Dommermuth	Bjørn Gulden	Dr. Reinhold Lunow	Silke Seidel	Bodo Löttgen	Prof. Dr. Bernhard Pellens	Gerd Pieper
Chairman (since 25 September 2021 / Deputy Chairman of the Supervisory Board until 24 September 2021)	Deputy Chairman (since 25 September 2021)							(since 2 December 2021)	Retired (Chairman of the Supervisory Board until 24 September 2021)

FULL REMUNERATION PAYABLE FOR 2021/2022 (EUR '000)

45	37	24	24	24	24	27	24	21	11

OCCUPATIONS (as at 30 June 2022)

Chairman of the Executive Board of Evonik Industries AG, Essen	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)	Managing partner of Bernd Geske Lean Communication, Meerbusch	Managing partner of JUVIA Verwaltungs GmbH, Cologne	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	Professor of International Corporate Accounting at Ruhr University Bochum, Academic Director of the Institute of Management (ifu) at Ruhr University Bochum and Honorary Professor at Tongji University in Shanghai, China	Privateer; former Managing Director of Stadt-Parfümerie Pieper GmbH, Herne

OTHER FUNCTIONS on statutory supervisory boards and comparable German or foreign supervisory bodies of commercial enterprises (as at 30 June 2022)

	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 Board member at Essity (Aktiebolag), Stockholm, Sweden (since 24 March 2022)	Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund				Member of the Supervisory Board of LVM Landwirtschaftlicher Versicherungsverein Münster a. G. in Münster (non-listed company) Member of LVM Krankenversicherungs-AG in Münster (non-listed company)	Member of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH, Dortmund (until 21 November 2021)

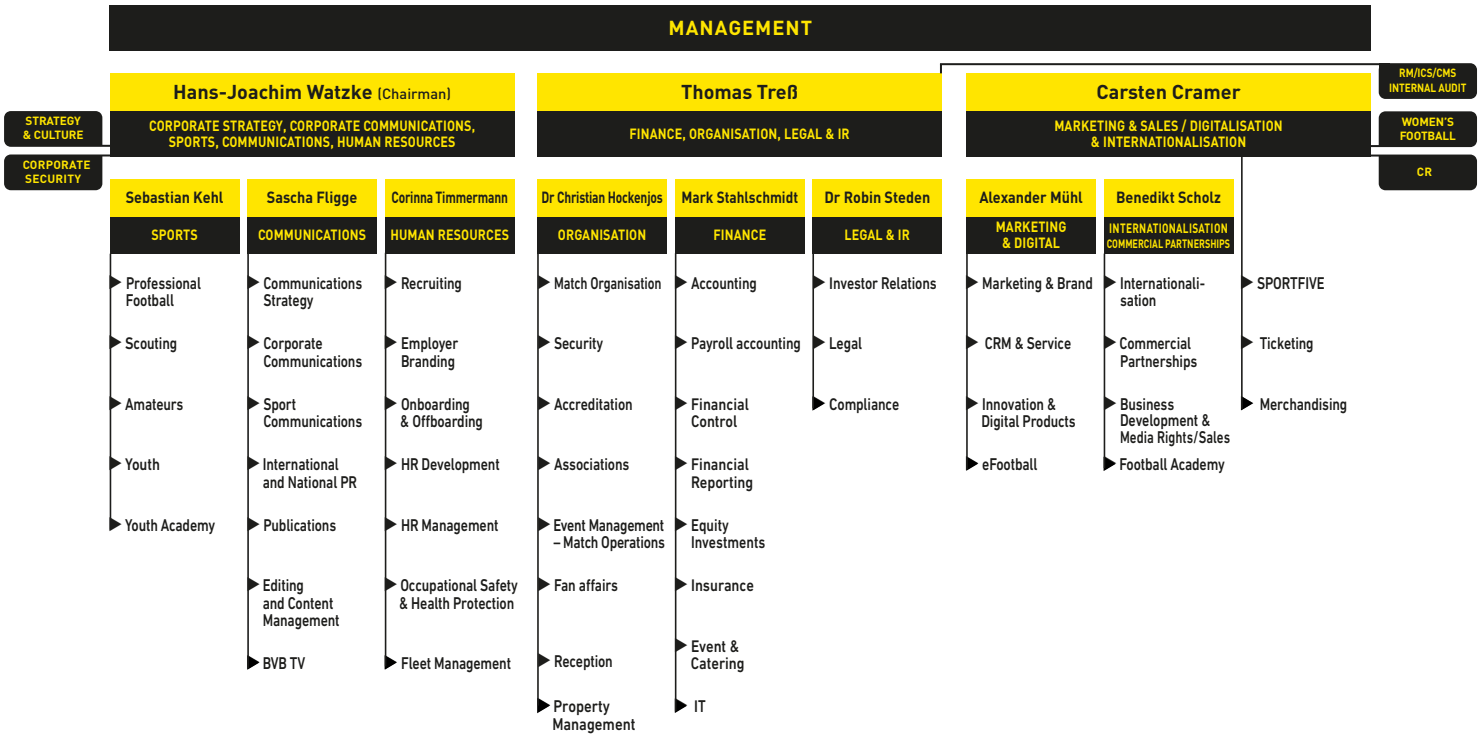
6th match day UCL
7 December 2021
BVB - Besiktas Istanbul 5:0

15th match day
11 December 2021
VfL Bochum - BVB 1:1

At its meeting on 2 December 2021, the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA resolved to form an Audit Committee and appointed its members. Dr Bernhard Pellens was elected Chairman of the Audit Committee, Mr Ulrich Leitermann as Deputy Chairman of the Audit Committee and Ms Silke Seidel as a member of the Audit Committee.

Within Borussia Dortmund GmbH & Co. KGaA there are eight independent functional areas below the management level, namely, "Sports", "Communications", "Human Resources", "Organisation", "Finance", "Legal & IR", "Marketing & Digital" and "Internationalisation/Commercial Partnerships". The responsible employees during the reporting period and the functional organisational areas of which they are in charge are shown in the chart below:

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



16th match day
15 December 2021
BVB - Greuther Fürth 3:0

17th match day
18 December 2021
Hertha BSC - BVB 3:2

INTERNAL MANAGEMENT AND CONTROL SYSTEM

Sports management

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

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

Financial management

Borussia Dortmund uses the result from operating activities and the operating result as indicators for measuring the economic success of the Company. Borussia Dortmund derives its result from operating activities from earnings before interest and taxes (EBIT) and its operating result from earnings before interest, taxes and depreciation and amortisation (EBITDA). The Company continuously monitors both the operating result (EBITDA) and the result from operating activities (EBIT) of the segments on the basis of monthly comparisons of the budgeted and actual figures. To optimise these indicators, the main factors to be leveraged are revenue, which can be additionally improved in the major revenue categories of match operations, advertising, TV marketing and net transfer income, as well as operating expenses, which can be lowered through disciplined management.

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

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

Capital management

The capital management responsibilities of the Company's management involve stabilising and increasing the equity of Borussia Dortmund. One of the main ways in which we will reach these objectives is by improving the operating result and making effective investments.
The management uses the result from operating activities (EBIT), the operating result (EBITDA) and the net profit/loss for the year to manage the Company.

18th match day
8 January 2022
Eintracht Frankfurt - BVB 2:3

19th match day
14 January 2022
BVB - SC Freiburg 5:1

CORPORATE STRATEGY

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

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

- Borussia Dortmund is in sporting terms one of the most successful, well known and popular German football clubs with an outstanding fan base that gives it one of the highest average spectator numbers compared to other European football clubs.
- A football enterprise can only be financially successful if it enjoys sporting success over the long term. In order to make its financial performance less dependent on short-term sporting success in the future, Borussia Dortmund will push ahead further with the national and international marketing of its brand name.
- Germany continues to be one of Europe's largest football markets, although it lags behind certain other European markets, such as the UK, in terms of media exploitation rights. This means that Germany has major growth potential.

All financial activities of Borussia Dortmund are geared towards the target groups relevant to a football club: its fans, members and business partners. Products and services should be tailored to these groups as closely as possible. Borussia Dortmund intends to use the brand potential at its disposal to take full advantage of the commercial opportunities inherent in professional club football at an international level. Borussia Dortmund uses its sporting and financial success to assume responsibility, which is tied closely to Dortmund and the surrounding region, and recognises sustainable development as a guiding principle at global level. What it means for Borussia Dortmund is to act in a way that satisfies the needs of today without restricting the opportunities of future generations, while giving equal consideration to the three dimensions of sustainability – economic efficiency, social equity and environmental viability.

DFB cup round of 16
18 January 2022
FC St. Pauli - BVB 2:1

20th match day
22 January 2022
TSG Hoffenheim - BVB 2:3

Its current business strategy can principally be summarised as follows:

- Sustainably adjusting athletic prospects
- Intensifying the promotion of up-and-coming talent
- Increasing fan involvement
- Utilising and maintaining the Borussia Dortmund brand
- Structuring our business activities and relationships sustainably

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

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

Advertising plays a key role in this context. Over the years, advertising has grown to become one of the Company's largest income categories. In contrast to central TV marketing, where distribution is already clearly defined in advance, Company management is itself able to determine the requirements for and direction of sponsoring activities and, if necessary, modify the strategy implemented as circumstances change. The key figures for the sponsoring segment were already budgeted for the coming years based on commitments from SIGNAL IDUNA Group (ending 2031) and PUMA International Sports Marketing B.V. (ending 2028), the Company's chief partners, as well as the two primary sponsors 1&1 Telecommunication SE and Evonik Industries AG (both ending 2025).

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

21st match day
6 February 2022
BVB - Bayer Leverkusen 2:5

22nd match day
13. Februar 2022
Union Berlin - BVB 0:3

DIVIDEND POLICY

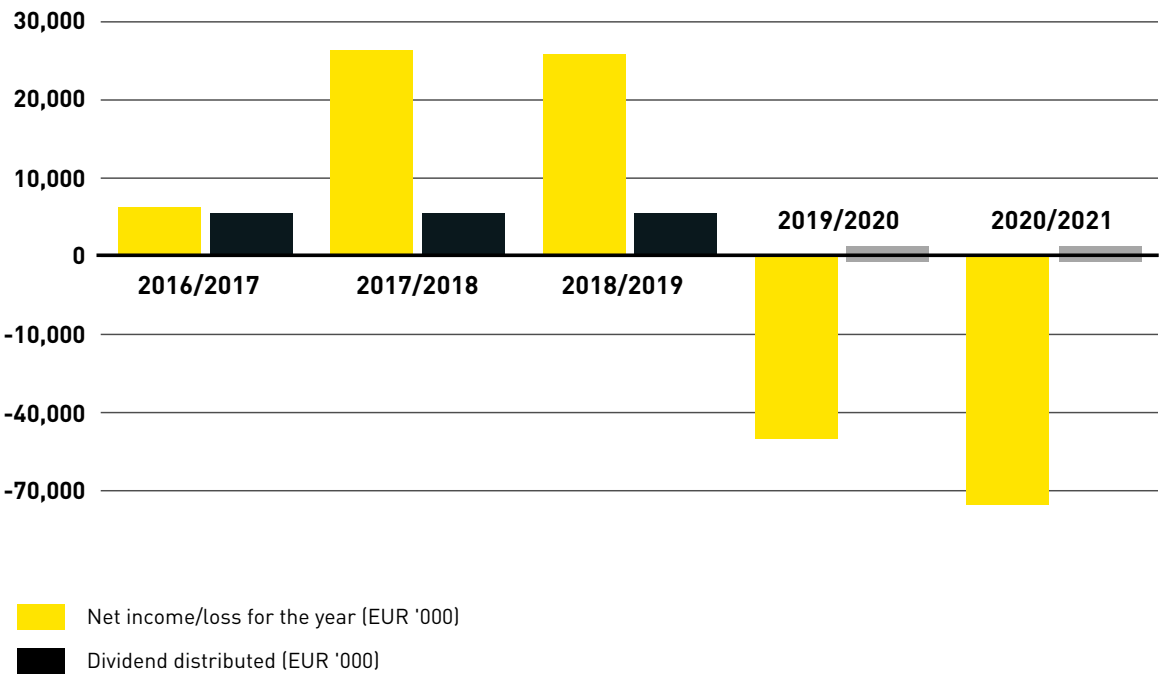
Two key indicators are assessed to shape Borussia Dortmund's dividend policy.

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

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

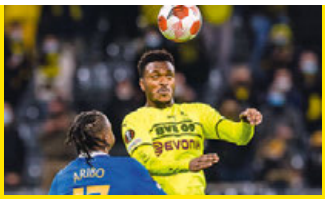
In order to remain competitive, Borussia Dortmund intends to use its net income for the year and cash and cash equivalents primarily for investments. The primary focus is on strengthening the professional squad, modernising SIGNAL IDUNA PARK and expanding the training ground in Dortmund-Brackel. Despite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

Dividend distribution



Net income/loss for the year (EUR '000)

Dividend distributed (EUR '000)



UEFA Europa League
17 February 2022
BVB - FC Rangers 2:4

23rd match day
20 February 2022
BVB - Borussia M'gladbach 6:0

SEPARATE NON-FINANCIAL GROUP REPORT

Please see the 2021/2022 Sustainability Report with regard to the disclosures within the meaning of §§ 289b, 315b of the German Commercial Code (*Handelsgesetzbuch*, "HGB"). The Sustainability Report includes the Group's non-financial report for the 2021/2022 financial year within the meaning of §§ 315b, 315c in conjunction with §§ 289c to 289e HGB, which was subject to a limited assurance engagement. As at 31 October 2022, the Sustainability Report will be published online at *https://verantwortung.bvb.de/en*.*

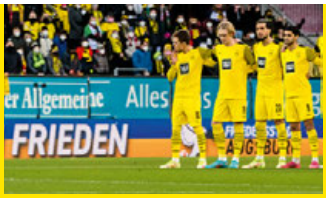
CORPORATE GOVERNANCE DECLARATION PURSUANT TO § 315D HGB

Pursuant to § 315d of the German Commercial Code (*Handelsgesetzbuch*, "HGB"), listed German stock corporations (*Aktiengesellschaften*) must prepare a corporate governance declaration. This declaration includes the declaration of conformity with the German Corporate Governance Code, and presents the corporate governance practices and the working principles of the management and the Supervisory Board and its committees. The corporate governance declaration is not included in the management report and is instead published online at *https://aktie.bvb.de/eng/Corporate-Governance/Corporate-Governance-Declaration**.

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

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

UEFA Europa League
24 February 2022
FC Rangers - BVB 2:2



24th match day
27 February 2022
FC Augsburg - BVB 1:1

POSITION OF THE COMPANY

DEVELOPMENT OF PERFORMANCE INDICATORS

Development of financial performance indicators

In the 2021/2022 financial year, Borussia Dortmund's financial performance indicators – revenue, consolidated total operating proceeds, operating result (EBITDA), result from operating activities (EBIT), net profit/net loss for the year, cash flows from operating activities and free cash flow – were as follows:

Revenue

Revenue amounted to EUR 351,645 thousand in the reporting period. In the Annual Report as at 30 June 2021, Borussia Dortmund forecast revenue of EUR 374,000 thousand.

Consolidated total operating proceeds

Consolidated total operating proceeds (total revenue plus gross transfer proceeds generated) amounted to EUR 456,886 thousand in the reporting period.

As at 30 June 2021, Borussia Dortmund had forecast that consolidated total operating proceeds would amount to approximately EUR 484,000 thousand in financial year 2021/2022.

Operating result (EBITDA)

EBITDA amounted to EUR 80,761 thousand in the past financial year; the forecast for the full 2021/2022 financial year in the Annual Report dated 30 June 2021 had projected EBITDA to exceed the result from operating activities (EBIT) by approximately EUR 107,000 thousand.

Result from operating activities (EBIT)

In the past financial year, the result from operating activities amounted to EUR -29,181 thousand and the net loss for the year totalled EUR 35,059 thousand. The report on expected developments dated 30 June 2021 forecast a net loss for the year of between approximately EUR 12,000 thousand and EUR 17,000 thousand. The result from operating activities (EBIT) for the full 2021/2022 financial year was forecast at approximately EUR 2,000 thousand below the net loss for the year.

Cash flows from operating activities

Cash flows from operating activities amounted to EUR 35,071 thousand in the 2021/2022 financial year.

Borussia Dortmund forecasted as at 30 June 2021 that it would generate cash flows from operating activities of approximately EUR 30,000 thousand for the full 2021/2022 financial year.

Free cash flow

Free cash flow in the 2021/2022 financial year amounted to EUR -16,293 thousand. The report on expected developments for the 2021/2022 financial year dated 30 June 2021 had forecast free cash flow of EUR -26,000 thousand.

The forecasts prepared as at 30 June 2021 could not be met due in particular to the ongoing restrictions imposed in response to the COVID-19 pandemic and the early elimination from international cup competitions.

25th match day
16 March 2022
FSV Mainz 05 - BVB 0:1

26th match day
13 March 2022
BVB - Arminia Bielefeld 1:0

Borussia Dortmund Group (IFRS)

EUR '000	2021/2022	2020/2021
Revenue	351,645	334,171
Consolidated total operating proceeds	456,886	358,577
Operating result (EBITDA)	80,761	38,950
Result from operating activities (EBIT)	-29,181	-72,093
Net profit/net loss for the year	-35,059	-72,810
Cash flows from operating activities	35,071	15,947
Free cash flow	-16,293	-46,075

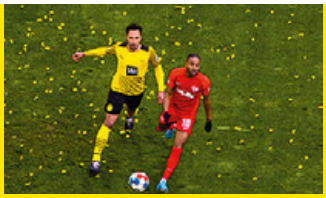
Development of non-financial performance indicators

The past financial year was marked by a number of social challenges, thrusting professional football from one crisis to the next in quick succession. Despite the ongoing pandemic, catastrophic flooding in Germany and the war in Ukraine, Borussia Dortmund once again championed its values and took a stand.

With regard to events in Europe, Borussia Dortmund demonstrated solidarity and has pooled its strengths to help those suffering as a result of the war in Ukraine. Borussia Dortmund has teamed up with the BVB Department for Fan Affairs, Fan-Projekt Dortmund e.V., the fanzine schwatzgelb.de and the "Bündnis Südtribüne" fan initiative to launch a large-scale fundraising campaign for people in Ukraine affected by the war. A charity match against Dynamo Kyiv was then held in April 2022, which raised EUR 400,000. Borussia Dortmund also helped out those in its own region affected by the catastrophic flooding, holding another charity match in Hagen, with the proceeds going to the City of Hagen. Like several other cities, Hagen suffered massive flood damage. The response to the pandemic did not just involve acts of solidarity between the fan community and BVB's "leuchte auf" foundation, it also included twice turning the stadium into a vaccination centre.

This is proof that football remains a social force that must be strengthened and protected. The club also pushed forward with its efforts to combat discrimination. True to the guiding principle "United by Borussia", Borussia Dortmund has for many years organised projects that promote a culture of remembrance and education and has taken a stand for social diversity. "Changing the Chants", an EU-funded cooperation project between the Anne Frank House in Amsterdam and Dutch first-division club Feyenoord Rotterdam, was presented to an international audience at a press conference in Oświęcim, Poland, in the past financial year. The outcome of the project was to develop guidelines for combating anti-Semitism in football. The gravity that Borussia Dortmund attaches to its work in this

27th match day
20 March 2022
1. FC Köln - BVB 1:1



28th match day
2 April 2022
BVB - Rasenballsport Leipzig 1:4

area was further underscored after a 20-strong BVB delegation visited Israel in May 2022 and the stadium hosted the first symposium on "Anti-Semitism in Professional Football", organised by DFL Deutsche Fußball Liga GmbH, the World Jewish Congress and the Central Council of Jews in Germany. For Borussia Dortmund, it is incredibly important to ensure that our efforts at fighting anti-Semitism are a permanent and consistent feature so that we can set out in concrete terms how we assume social responsibility.

How important it is for professional football to meet social and environmental challenges and play an active role in addressing them is also underscored by the fact that sustainability guidelines are anchored in the German Football League (DFL) licensing procedure. The resolution was adopted at the DFL Members Assembly in May 2022. This satisfied the demand made by the "Future of Professional Football" task force to include a clear commitment to sustainability in all its dimensions in the preamble to the statutes of DFL e.V. The criteria bring together sustainability in all its dimensions, reflecting environmental, economic and social requirements placed on the clubs. Borussia Dortmund believes that revising the licensing procedure is the right move and an important step for each individual club and the Bundesliga as a whole. The sustainability criteria will apply for the first time to the licensing procedure for the 2023/2024 season.

In addition to the social dimension of sustainability, Borussia Dortmund also takes its environmental responsibility seriously. With this in mind, the club formed additional cross-disciplinary project groups that will increasingly tackle the issues related to the use of resources in match operations and mobility. In cooperation with Dortmund's municipal utilities authority (DSW21), Borussia Dortmund is expanding its KombiTicket combined match/transport ticket for both individual matches and season tickets. They will now cover the entire state of North Rhine-Westphalia, thereby increasing the use of public transport and helping to cut CO2 emissions. The tickets had previously only been valid within the VRR transport authority region. Borussia Dortmund is also helping make employees' daily commute more environmentally friendly by offering the chance to lease a bicycle via Borussia Dortmund on a subsidised basis.
The club's environmental commitment also includes educational projects in the region organised as part of the BVB KidsClub and the BVB Foundation. The BVB Educational Garden, Stadt.Nah.Tour and Borsig-Bienen projects are primarily aimed at environmental education for children and young people in the topic areas of "our natural surroundings", "biodiversity" and "environmental protection".
The stadium presents Borussia Dortmund with major energy challenges that need to be addressed in a structured way that factors in feasibility and economic

29th match day
8 April 2022
VfB Stuttgart - BVB 0:2

30th match day
16 April 2022
BVB - VfL Wolfsburg 6:1

efficiency. In September 2021, we reviewed all properties, beginning with their energy consumption. We have finished documenting the actual energy performance. The corresponding measures to achieve the structural and technical modernisation of the stadium have been developed and will be implemented and pursued in stages beginning from the start of the new financial year. Plans to expand the e-charging infrastructure are also ongoing and are expected to be completed by autumn 2022.

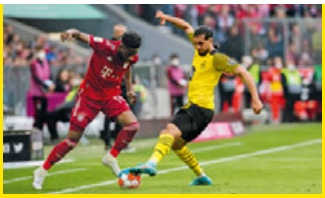
In addition to regular meetings of its internal sustainability working group, Borussia Dortmund invited its partners and sponsors to a first sustainability round table at the stadium in June 2022. This included presenting Borussia Dortmund's sustainability strategy and outlining the progress made in updating the DFL licensing procedure. The first round table finished on a successful note with a host of positive insights, a lively discussion and an expanded network.

How sustainable are professional sports clubs? The international team at the London-based Global Sustainability Benchmark in Sports (GSBS) has set itself the task of finding out. The independent non-profit uses a scientific approach to analyse the sustainability performance of major clubs and associations.

Borussia Dortmund took first place in "Best Corporate Performance" and the special category "Best Total Performance", outperforming other clubs such as Juventus Turin and Real Betis Sevilla.

In September 2021, Borussia Dortmund joined the UN's Global Compact, the world's largest initiative for sustainable and responsible corporate governance. In joining the initiative, Borussia Dortmund has committed to acting in line with the UN Global Compact's ten principles on human rights, labour standards and fighting corruption and to working to achieve the UN's sustainable development goals. Using learning formats, the UN Global Compact helps companies to act responsibly and promote solutions to address global challenges.
You can find all you need to know about sustainable development at Borussia Dortmund in our 2021/2022 Sustainability Report*, which will be available from 31 October 2022 at *https://verantwortung.bvb.de/en*.

** In accordance with the statutory requirements, the Sustainability Report does not fall under the scope of Deloitte GmbH Wirtschaftsprüfungsgesellschaft's audit of the consolidated financial statements.*



31st match day
23 April 2022
Bayern München - BVB 3:1

32nd match day
30 April 2022
BVB - VfL Bochum 3:4

RESULTS OF OPERATIONS

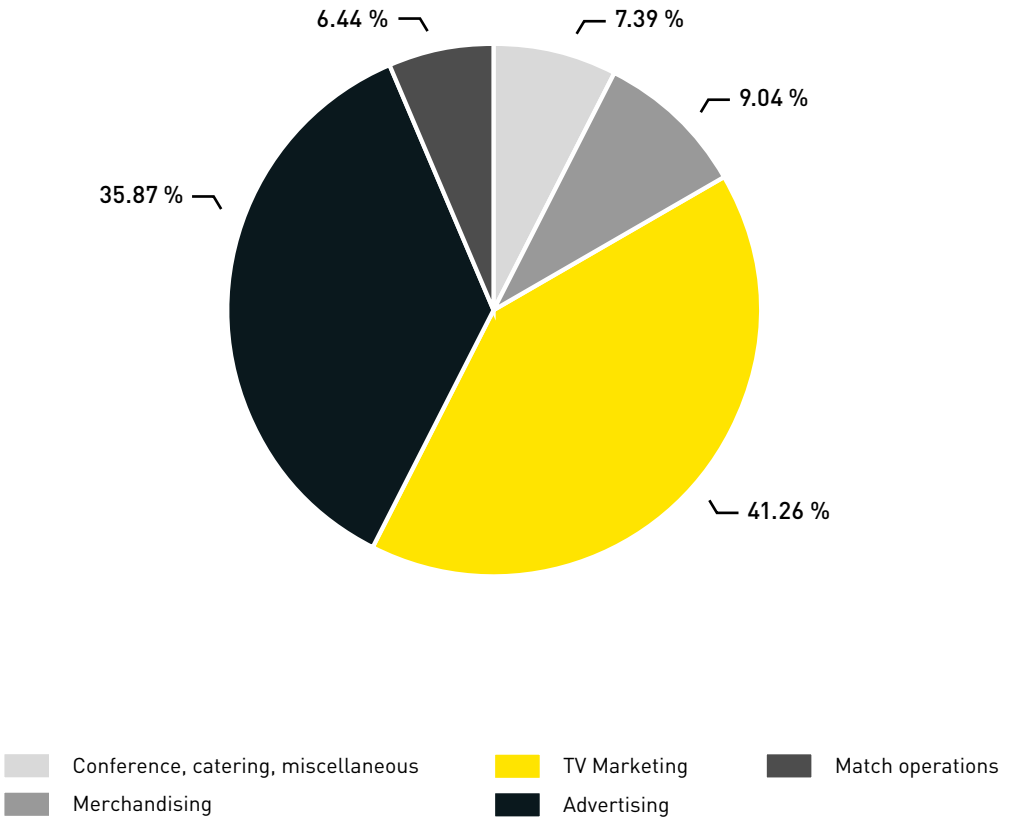
During the reporting period (1 July 2021 to 30 June 2022), Borussia Dortmund generated revenue of EUR 351,645 thousand (previous year: EUR 334,171 thousand), EUR 17,474 thousand more than in the previous year. Net transfer income amounted to EUR 61,866 thousand (previous year: EUR 15,401 thousand).

Earnings before taxes amounted to EUR -33,368 thousand (previous year: EUR -73,152 thousand); the result from operating activities (EBIT) amounted to EUR -29,181 thousand (previous year: EUR -72,093 thousand).

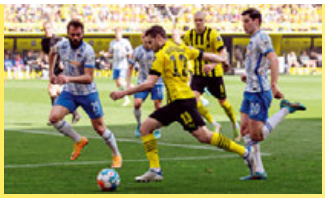
During the current reporting year, the operating result (EBITDA) amounted to EUR 80,761 thousand (previous year: EUR 38,950 thousand).

Borussia Dortmund generated a net loss of EUR 35,059 thousand during the 2021/2022 financial year (previous year: net loss of EUR 72,810 thousand).

Borussia Dortmund Group – Revenue in percent



33rd match day
7 May 2022
Greuther Fürth - BVB 1:3

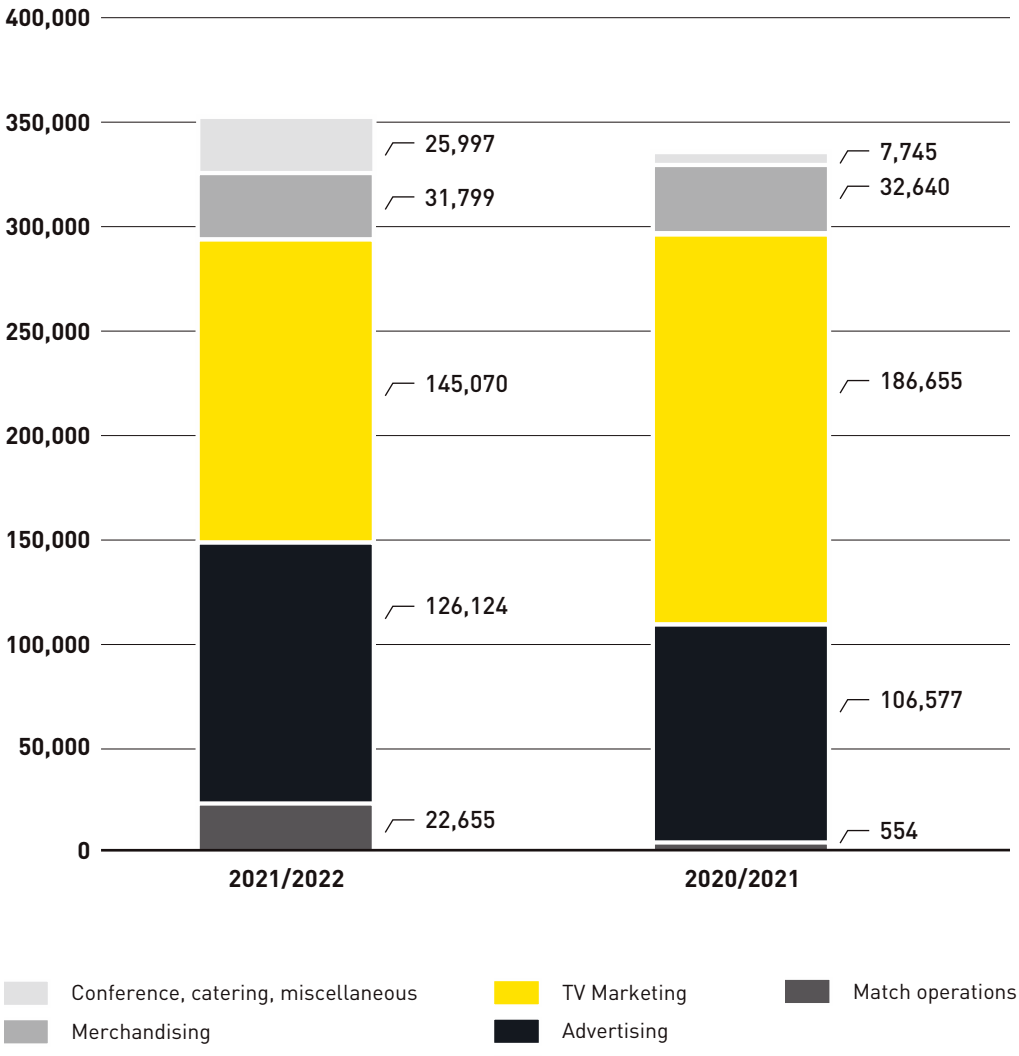


34th match day
14 May 2022
BVB - Hertha BSC 2:1

REVENUE TREND

Borussia Dortmund generated revenue of EUR 351,645 thousand in the 2021/2022 financial year, representing an increase of EUR 17,474 thousand or 5.23%. On the one hand, the increase in income is attributable in particular to higher income from match operations and from conference, catering and miscellaneous due to the relaxation by lawmakers of restrictions on spectator numbers, and on the other hand to growth in advertising income. This was countered by almost constant merchandising income and a decline in TV marketing income.

Borussia Dortmund Group – Revenue in EUR '000



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

Income from match operations

Income from match operations increased by EUR 22,101 thousand to EUR 22,655 thousand in financial year 2021/2022.

Income from match operations for domestic competitions rose by EUR 17,186 thousand to EUR 17,730 thousand.
Borussia Dortmund could at least welcome back an average of approximately 42,000 spectators to the 17 Bundesliga home matches played at SIGNAL IDUNA PARK over the 2021/2022 season in line with the changing Corona Protection Regulations. In the previous year, only a small number of spectators had been permitted to attend just three Bundesliga home matches.

The income from domestic and international cup competitions increased by EUR 4,167 thousand. No income was generated in this area in the previous year due to the pandemic. This season, SIGNAL IDUNA PARK hosted an average of approximately 26,000 spectators at the six national and international cup matches held at home (including the DFL Super Cup).

Borussia Dortmund generated income of EUR 758 thousand from friendlies and ticket proceeds generated by the club's other teams in this financial year (previous year: EUR 9 thousand) in the context of changing Corona Protection Regulations. Unlike before COVID, the pandemic prevented the squad from travelling to Asia or the United States for preseason tours.

Income from advertising

Borussia Dortmund generated advertising income of EUR 126,124 thousand in the past financial year (previous year: EUR 106,577 thousand), corresponding to growth of 18.34% and a 35.87% share (second-largest) of total revenue.

Advertising income increased in particular due to the fact that, unlike in the previous year, the hospitality areas were operating at full capacity at each of the 23 home matches played. As a result, income grew by EUR 12,075 thousand in this area. Income generated with Champion Partners, Premium Partners and Partners and income from match-day marketing also increased, while the less successful sporting performance caused a decline in bonuses received.

The strategic partnerships with the two primary sponsors Evonik Industries AG and 1&1 Telecommunication SE as well as with the equipment supplier, PUMA SE, remain the foundation for sponsorship income. The holder of the stadium's naming rights, SIGNAL IDUNA (partnership extended early until 30 June 2031), the sleeve sponsor, Opel Automobile GmbH, and the ten Champion Partners continue to contribute greatly to income from advertising.

Furthermore, advertising income includes bonuses for sporting success, in particular for the second-place Bundesliga finish, which directly qualified the team for the group stage of the UEFA Champions League in the 2022/2023 season.

Income from TV marketing

In financial year 2021/2022, income from TV marketing once again represented the highest share of revenue (41.26%); however, it declined by EUR 41,585 thousand year on year to EUR 145,070 thousand. The decrease was attributable to both national and international TV marketing income and to the marketing of national cup competitions.

Income from domestic TV marketing amounted to EUR 78,503 thousand (previous year: EUR 97,826 thousand), down EUR 19,323 thousand against the prior-year reporting period. The 2021/2022 season was the first covered by the media rights newly allocated by the German Football League (DFL Deutsche Fußball Liga GmbH) for seasons from

2021/2022 to 2024/2025, under which clubs can expect income averaging EUR 1.1 billion (total of EUR 4.4 billion), with the distributions increasing with each passing season. This constitutes a reduction of 5.17% on the previous allocation period, in which EUR 4.64 billion was paid out to the clubs (also with increasing distributions). This general reduction and the fact that a more lucrative final year of the old allocation period is being compared with the first year of the new media rights allocation period cause a decline in income from national TV marketing.

Income from international TV marketing for competing in the UEFA Champions League and knockout round play-offs in the UEFA Europa League amounted to EUR 62,741 thousand in the financial year ended (previous year: EUR 78,698 thousand). The year-on-year decline of EUR 15,957 thousand is due primarily to the team's elimination in the group stage of the UEFA Champions League and the fewer bonus points during the group stage. This could not be offset by participating in the UEFA Europa League since the team exited that tournament early in the knockout round play-offs.

In the domestic cup competition, Borussia Dortmund reached the round of 16 after having won the DFB Cup in the previous year. Income from domestic cup competitions thus amounted to EUR 3,790 thousand (previous year: EUR 10,131 thousand).

Merchandising

Income from merchandising decreased slightly by EUR 841 thousand to EUR 31,799 thousand in the past 2021/2022 financial year. In the previous year, EUR 32,640 thousand had been recognised for this item. The brick-and-mortar fan shops saw revenue increase as against the previous year, which was overshadowed by fan shop closures in response to the COVID-19 pandemic. By contrast, revenue in the online business declined due in part to the higher revenue at the brick-and-mortar fan shops.

Conference, catering and miscellaneous income

Borussia Dortmund's conference, catering and miscellaneous income increased by EUR 18,252 thousand from EUR 7,745 thousand in the previous year to EUR 25,997 thousand. This also included revenue from advance booking fees, rental and lease income, release fees for national team players, income from players on loan, and training compensation.

Conference and catering income, which comprises income generated by the hospitality areas, public catering services and events, increased by EUR 11,047 thousand from EUR 661 thousand in the previous year to EUR 11,708 thousand.
In comparison with the previous year, when the lack of spectators at 21 of 24 home matches and fewer customers at the first three Bundesliga home fixtures meant that only limited revenue was generated, both in public and hospitality catering, this year the hospitality areas were again operating at full capacity and an average of approximately 38,000 spectators were in attendance at SIGNAL IDUNA PARK, resulting in revenue growth of EUR 8,804 thousand year on year. Events outside of match operations such as private celebrations, corporate events, trade fairs and stadium tours also resumed in the past financial year, which caused this income to increase by EUR 2,243 thousand year on year.
Advance booking fees and postage for match and season tickets also increased in line with the higher spectator numbers and recommencement of season ticket sales for the 2022/2023 season, rising by EUR 3,059 thousand to EUR 3,766 thousand in the reporting period from 1 July 2021 to 30 June 2022 (previous year: EUR 707 thousand).
The release fees for national team players of EUR 4,694 thousand (previous year: EUR 2,268 thousand) grew as against the previous year due in particular to national team player releases in the context of the 2020 European Championship, which was held in 2021.

The income from players on loan and training compensation decreased slightly year on year, declining by EUR 378 thousand to EUR 1,237 thousand. This comprised mainly the loan of player Ansgar Knauff to Eintracht Frankfurt and training compensation for various players, in particular for Achraf Hakimi. In the previous year, the income was mainly recognised for the loans of players Leonardo Balerdi, Jeremy Toljan and Sergio Gómez.

Net transfer income

Net transfer income rose by EUR 46,465 thousand to EUR 61,866 thousand. This includes primarily transfer proceeds from the departures of the players Jadon Sancho (Manchester United), Leonardo Balerdi (Olympique Marseille), Thomas Delaney (Sevilla FC), Sergio Gómez (SD Huesca), Chris Führich (SC Paderborn) and Tobias Raschl (Spielvereinigung Greuther Fürth) as well as subsequent transfer proceeds less residual carrying amounts and selling costs incurred.

Gross transfer proceeds amounted to EUR 105,241 thousand (previous year: EUR 24,406 thousand). The residual carrying amounts amounted to EUR 19,366 thousand (previous year: EUR 7,720 thousand) and transfer costs amounted to EUR 24,009 thousand (previous year: EUR 1,285 thousand).

In the previous financial year, Jeremy Toljan transferred to U.S. Sassuolo, Ömer Toprak to Werder Bremen and Dženis Burnić to 1. FC Heidenheim. Borussia Dortmund also generated subsequent transfer fees. Furthermore, Mario Götze left to join PSV Eindhoven on a free transfer.

Other operating income

Other operating income increased by EUR 13,163 thousand year on year to EUR 23,540 thousand. In the current financial year as in the previous year, this included primarily subsidies already accounted for or granted, gains from the reversal of provisions and from reimbursement for granting contractual marketing rights, and insurance reimbursements. Other operating income includes prior-period income in the amount of EUR 13,492 thousand (previous year: EUR 2,608 thousand).

DEVELOPMENT OF SIGNIFICANT OPERATING EXPENSES

Cost of materials

Cost of materials increased by a total of EUR 3,052 thousand to EUR 22,641 thousand.
This figure included the cost of goods sold for both BVB Event & Catering GmbH and BVB Merchandising GmbH. The increase is mainly attributable to the higher cost of materials in catering at BVB Event & Catering GmbH, which corresponds to the increase in catering income as a result of the easing of spectator restrictions. The slight decrease in merchandising income also resulted in a slight decline in cost of materials at BVB Merchandising GmbH.

Personnel expenses

In financial year 2021/2022, personnel expenses amounted to EUR 231,218 thousand (previous year: EUR 215,650 thousand).

Personnel expenses for the professional squad increased by 3.48% year on year to EUR 181,021 thousand in financial year 2021/2022 (previous year: EUR 174,927 thousand). The base salary rose by EUR 10,179 thousand to EUR 120,666 thousand. Performance-based bonuses of EUR 22,222 thousand were paid out to the professional squad in financial year 2021/2022 (previous year: EUR 28,742 thousand) as a result of the successful second-place finish in the Bundesliga (69 points) and for qualifying directly for the group stage of the UEFA Champions League in the 2022/2023 season.
In the reporting period, personnel expenses related to the retail and administration areas increased by EUR 5,616 thousand year on year to EUR 34,941 thousand.

Personnel expenses in relation to amateur and youth football amounted to EUR 15,256 thousand during the current 2021/2022 financial year (previous year: EUR 11,398 thousand). The increase was due to further signings in the youth teams and the second team's promotion to the third division.

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs declined by EUR 1,101 thousand to EUR 109,942 thousand in the reporting period.

During the period from 1 July 2021 to 30 June 2022, intangible assets – which consist primarily of Borussia Dortmund's player registrations – were amortised in the amount of EUR 96,586 thousand (previous year: EUR 97,440 thousand). This includes EUR 9,090 thousand in write-downs of intangible assets to their fair values (previous year: EUR 4,810 thousand).

Depreciation and write-downs of property, plant and equipment declined from EUR 13,603 thousand to EUR 13,356 thousand.

Other operating expenses

Other operating expenses increased by EUR 16,671 thousand from EUR 85,760 thousand in the previous year to EUR 102,431 thousand in the reporting period.

Expenses from match operations increased by EUR 3,388 thousand to EUR 40,344 thousand (previous year: EUR 36,956 thousand). This is attributable primarily to the higher catering and match day expenses in comparison with the previous year, when just three home matches were played with strict limits on stadium capacity. This season, home matches were attended by an average of roughly 38,000 spectators.

Advertising expenses rose from EUR 1,701 thousand to EUR 12,409 thousand. These included agency commissions payable to marketing firm SPORTFIVE Germany GmbH. The increase correlates directly with the increase in advertising income.

Transfer expenses declined slightly by EUR 110 thousand to EUR 4,094 thousand. These primarily include loan and training compensation.

Administrative expenses increased during the financial year ended by EUR 4,490 thousand to EUR 27,297 thousand. This is due to higher travel and entertainment expenses as a result of increased travel activities, as well as higher insurance expenses. In accordance with the Articles of Association, the general partner of Borussia Dortmund GmbH & Co. KGaA, Borussia Dortmund Geschäftsführungs-GmbH, received, by virtue of the cost and profit allocation in connection with its business activities in the financial year ended, remuneration of EUR 5,981 thousand (previous year: EUR 3,818 thousand) that was also recognised under administrative expenses.

Other expenses increased by EUR 6,665 thousand to EUR 11,264 thousand. This was due primarily to higher losses on the disposal of intangible fixed assets and higher write-downs on receivables.

Financial result

The financial result for financial year 2021/2022 amounted to EUR -4,187 thousand (previous year: EUR -1,059 thousand) and breaks down as follows:

The investment income amounted to EUR 60 thousand (previous year: EUR 81 thousand).

Interest income amounted to EUR 1,137 thousand (previous year: EUR 287 thousand) and related primarily to compounding and restatements relating to subsequent measurement in accordance with IFRS 9.

The interest expense amounted to EUR 5,384 thousand (previous year: EUR 1,427 thousand) and comprised discounting in the context of measuring receivables under IFRS 9 (EUR 4,381 thousand), the interest expense in the context of lease accounting under IFRS 16 (EUR 675 thousand) and financing fees (EUR 328 thousand).

Tax expense

A tax expense of EUR 1,691 thousand (previous year: EUR 342 thousand in tax income) was reported under taxes on income in the reporting period.

ANALYSIS OF CAPITAL STRUCTURE

DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

As at 30 June 2022, total assets amount to EUR 455,055 thousand, representing an increase of EUR 4,536 thousand as compared to 30 June 2021.

Non-current assets decreased by EUR 31,363 thousand to EUR 358,440 thousand as follows:

The EUR 69,036 thousand decrease in intangible assets is due to disposals and reclassifications of non-current intangible assets to assets held for sale (EUR 47,066 thousand) and amortisation and write-downs (EUR 87,496 thousand). This was partly offset by additions of EUR 65,526 thousand that related in their entirety to the player base.

Additions of EUR 2,473 thousand were made to property, plant and equipment. The additions were offset by EUR 118 thousand in disposals and EUR 13,356 thousand in depreciation. The additions were attributable mainly to the investments to expand the training ground and in the stadium.
Trade receivables and other financial receivables increased by EUR 65,048 thousand to EUR 105,376 thousand as at the end of the reporting period. This

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund

	30/06/2022		30/06/2021	
ASSETS	**EUR '000**	**in %**	**EUR '000**	**in %**
Non-current assets				
Intangible assets	124,398	27.3	193,434	42.9
Property, plant and equipment	172,453	37.9	183,454	40.7
Investments accounted for using the equity method	382	0.1	402	0.1
Financial assets	344	0.1	27	0.0
Trade and other financial receivables	59,531	13.1	10,392	2.3
Prepaid expenses	1,332	0.3	2,094	0.5
	358,440	78.8	389,803	86.5
Current assets				
Inventories	4,416	1.0	6,806	1.5
Trade and other financial receivables	45,845	10.1	29,936	6.7
Tax assets	14	0.0	85	0.0
Cash and cash equivalents	10,571	2.3	1,725	0.4
Prepaid expenses	11,740	2.5	12,708	2.8
Assets held for sale	24,029	5.3	9,456	2.1
	96,615	21.2	60,716	13.5
	455,055	**100.0**	**450,519**	**100.0**

was due primarily to the increase in transfer receivables, in particular from transferring player Jadon Sancho to Manchester United.

Cash and cash and cash equivalents amounted to EUR 10,571 thousand as at the end of the reporting period (previous year: EUR 1,725 thousand).

Assets held for sale rose by EUR 14,573 thousand to EUR 24,029 thousand (previous year: EUR 9,456 thousand). The EUR 33,119 thousand in reclassifications to assets held for sale were partly offset by disposals of EUR 9,456 thousand and write-downs of EUR 9,090 thousand, which were recognised under depreciation and amortisation.

Inventories declined by EUR 2,390 thousand from EUR 6,806 thousand in the previous year to EUR 4,416 thousand.

Prepaid expenses decreased by EUR 1,730 thousand to EUR 13,072 thousand (previous year: EUR 14,802 thousand). This was due in particular to the deduction of payments to be accrued in the context of player loans.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

	30/06/2022		30/06/2021	
EQUITY AND LIABILITIES	**EUR '000**	**in %**	**EUR '000**	**in %**
Equity				
Subscribed capital	110,396	24.2	92,000	20.4
Reserves	170,218	37.4	140,750	31.2
Treasury shares	-113	0.0	-113	0.0
Equity attributable to the owners of the parent company	280,501	61.6	232,637	51.6
Non-current liabilities				
Lease liabilities	12,530	2.8	16,819	3.7
Trade payables	29,554	6.5	37,250	8.3
Other financial liabilities	1,856	0.4	208	0.1
Deferred tax liabilities	0	0.0	0	0.0
Deferred income	20	0.0	0	0.0
	43,960	9.7	54,277	12.1
Current liabilities				
Financial liabilities	0	0.0	56,900	12.6
Provisions	0	0.0	2,333	0.5
Lease liabilities	4,649	1.0	4,241	1.0
Trade payables	68,978	15.2	64,103	14.2
Other financial liabilities	37,042	8.1	30,901	6.9
Tax liabilities	4	0.0	40	0.0
Deferred income	19,921	4.4	5,087	1.1
	130,594	28.7	163,605	36.3
	455,055	**100.0**	**450,519**	**100.0**

As at 30 June 2022, Borussia Dortmund's equity amounted to EUR 280,501 thousand. This corresponds to an equity ratio of 61.64% (previous year: 51.64%). The issue of 18,396,220 new no-par value ordinary bearer shares of the Company increased the subscribed capital by EUR 18,396 thousand to EUR 110,396 thousand and the capital reserves (recognised under reserves) by EUR 64,527 thousand (after deducting directly attributable costs). The reserves were reduced by the net loss for the year of EUR 35,059 thousand.

Changes in current and non-current liabilities were as follows:

Borussia Dortmund reported liabilities of EUR 174,554 thousand as at 30 June 2022 (previous year: EUR 217,882). This represents a decrease of EUR 43,328 thousand.

Changes in total current and non-current liabilities were as follows:

Lease liabilities decreased from EUR 21,060 thousand to EUR 17,179 thousand in the reporting period. The repayments of lease liabilities of EUR 4,423 thousand were partly offset by expansion of the vehicle fleet (EUR 543 thousand).

Non-current trade payables declined by EUR 7,696 thousand to EUR 29,554 thousand, due in particular to the lower non-current liabilities from transfer deals. Current trade payables increased by EUR 4,875 thousand to EUR 68,978 thousand.

Other financial liabilities rose by EUR 7,789 thousand to EUR 38,898 thousand as at the end of the reporting period. This was due in particular to the increase in payroll tax and VAT not yet due, fees collected on behalf of third parties in connection with the sale of season tickets, and liabilities to the general partner. This was offset by the payment of residual credits to season ticket holders for the 2019/2020 season.

Tax liabilities decreased to EUR 4 thousand (previous year: EUR 40 thousand).

Deferred income increased by EUR 14,854 thousand to EUR 19,941 (previous year: EUR 5,087 thousand). This increase is due primarily to payments from the sale of season tickets, which had been suspended in the previous two financial years due to the COVID-19 pandemic.

Borussia Dortmund did not recognise any liabilities to banks as at the end of the reporting period. The current financial liabilities amounting to EUR 56,900 thousand that had been reported as at 30 June 2021 were fully repaid to EUR 0 thousand in the first half of the current financial year using the proceeds from the capital increase.

Provisions amounted to EUR 0 thousand as at 30 June 2022. Provisions of EUR 2,333 thousand had been recognised in the previous year for litigation and liability risks relating to legal proceedings.

ANALYSIS OF CAPITAL EXPENDITURE

In the past financial year, Borussia Dortmund invested EUR 65,526 thousand in intangible assets. The entirety of this amount was invested in the player base.

Cash payments for property, plant and equipment during the same period amounted to EUR 1,719 thousand and primarily include investments in the Dortmund-Brackel training ground and in SIGNAL IDUNA PARK.

Future investments will focus on improving the stadium experience. The digitalisation of SIGNAL IDUNA PARK includes installing new LED advertising boards and scoreboards. In addition, the "Kitchen Tower", a logistics centre connected to SIGNAL IDUNA PARK, will improve deliveries to the hospitality areas.

ANALYSIS OF LIQUIDITY

As at 30 June 2022, Borussia Dortmund held unrestricted cash funds of EUR 10,571 thousand. Borussia Dortmund also had access to an additional EUR 120,000 thousand in overdraft facilities which had not been drawn down as at the end of the reporting period.

Cash flows from operating activities amounted to EUR 35,071 thousand (previous year: EUR 15,947 thousand).

NET ASSETS

Borussia Dortmund's total assets increased from EUR 450,519 thousand to EUR 455,055 thousand. Fixed assets declined by EUR 79,740 to EUR 297,577 thousand, due primarily to amortisation, write-downs and disposals that related to the player base, as well as reclassifications to assets held for sale.

Trade and other financial receivables increased by EUR 65,048 thousand to EUR 105,376 thousand, in particular due to transfer deals.

Prepaid expenses decreased by EUR 1,730 thousand to EUR 13,072 thousand. This resulted mainly from the deduction of payments to be accrued in the context of player loans.

OVERALL ASSESSMENT OF FINANCIAL POSITION AND PERFORMANCE AND BUSINESS DEVELOPMENT

Borussia Dortmund ended the 2021/2022 financial year with a net loss for the year of EUR 35,059 thousand.

Taking into account the net loss for the year, the equity ratio is calculated at 61.64%. As at 30 June 2022, Borussia Dortmund held unrestricted cash funds of EUR 10,571 thousand. At the end of the reporting period, Borussia Dortmund had access to an additional EUR 120,000 thousand in overdraft facilities which had not been drawn down.

The ongoing COVID-19 pandemic continued to weigh heavily on profitability and ultimately earnings in the 2021/2022 season. Although income from match operations and conference, catering and miscellaneous income increased year on year as lawmakers relaxed the restrictions on spectator capacity, they still fell far short of pre-pandemic levels. Given this, business development during financial year 2021/2022 was less than satisfactory.

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

As part of its risk management system, Borussia Dortmund has an accounting process-related internal control system that defined appropriate structures and implemented them within the organisation. The aim is to ensure proper and effective accounting and financial reporting in accordance with the applicable accounting principles. The key features of the accounting process-related internal control and risk management system employed by Borussia Dortmund can be described as follows:

- Borussia Dortmund distinguishes itself through its clear organisational and corporate structures as well as its control and monitoring structures.
- The internal control and risk management systems as they relate to the accounting process form an integral part of operational and strategic planning processes.
- Responsibilities have been clearly assigned in all areas of the accounting process (such as financial accounting and management cost accounting).
- Reporting is carried out in monthly, quarterly, semi-annual and annual intervals, whereby a distinction is made between matters requiring immediate action by the Company and those involving Company strategy.

- The computer systems used in accounting are protected against unauthorised access. An access and roles concept is implemented that controls and documents the access rules.

- An adequate system of internal guidelines has been established and is adapted, expanded and updated on a continuous basis.

- The departments involved in the accounting process fulfil quantitative and qualitative requirements.

- The completeness and accuracy of the accounting data is checked regularly by reviewing samples and conducting plausibility tests, both manually and by means of software employed for this purpose.

- The principle of dual control is adhered to at all points in the Company's accounting-related processes.

- The newly established Compliance, Risk Management and Internal Audit department applies a target-oriented and systematic approach to conduct independent, risk-based and objective audit activities to assess the effectiveness of corporate management, risk management and the control processes and help improve them.

- The management receives reports at scheduled intervals throughout the process or more frequently if necessary.

- The Audit Committee of the Supervisory Board deals with the key accounting issues, risk management and the audit assignment, among other things, and regularly reports to the Supervisory Board on these.

The accounting process-related internal control and risk management system, the key features of which are described above, ensures that transactions can be correctly recorded, prepared and accounted for in the financial statements in good time on the basis of applicable legal rules and regulations and accounting requirements. For financial year 2021/2022, the management of Borussia Dortmund has assessed the effectiveness of the accounting process-related internal control system and considers it to be viable. It must be taken into consideration as a matter of principle that an internal control system, no matter its structure, can never provide absolute certainty that material accounting misstatements will be avoided or detected.

OPPORTUNITY AND RISK REPORT

RISK MANAGEMENT

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

The sections below focus on possible future developments or events which could cause Borussia Dortmund to perform either better than expected (opportunities) or worse than expected (risks). The respective impact of opportunities and risks are generally presented separately and are not offset against one other. Generally speaking, risks and opportunities are assessed over a mid-length term of three years. All risks of loss to which the Company is exposed (individual and cumulative risks) are monitored and managed within the risk management system. Borussia Dortmund assessed the identified opportunities with respect to their impact on budgeted earnings figures in the context of existing planning and reporting processes. Opportunities are considered and documented in a process that is independent of Borussia Dortmund's risk management system.
The consolidated group for risk management purposes is identical to the consolidated group in the consolidated financial statements.

A functioning control and monitoring system is essential for identifying risks early and for assessing and counteracting them. It is the responsibility of the internal risk management system to monitor and control such potential risks. The risk management system is based on principles and guidelines laid out by the management. These principles and guidelines are designed to facilitate the early identification of any irregularities so that appropriate countermeasures can be taken immediately. In order to ensure the highest possible level of transparency, risk management has been incorporated into the organisational structure of the Group as a whole. All departments and divisions are required to immediately report any Company-relevant changes in the risk portfolio to the management. The risk management system is also an integral component of the overarching planning, steering and reporting process.
In financial year 2021/2022, refinements were made to Borussia Dortmund's risk management system as part of IDW AuS 340 (revised version), the newly revised standard for audits of the risk early warning system promulgated by the Institute of Public Auditors in Germany (IDW). These primarily concerned implementing a risk-bearing capacity concept and improving the measurement methods by performing risk quantification including risk aggregation. The existing internal risk policy was expanded and refined to include these aspects.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile. Reports are submitted to management on a quarterly or (depending on urgency) ad hoc basis.

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

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

In consultation with the departments and risk owners, each risk is given a qualitative rating of

between 1 and 4, with 1 indicating a low level of risk and 4 indicating a very high level of risk.

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

Example

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

If the assessment of an individual risk falls within the top third of the scale (a score of 17 to 24), Borussia Dortmund classifies it as a high-priority risk. Particular attention is paid to such risks, since they are capable of having a material adverse and long-term effect on the Company's assets, liabilities, financial position and profit or loss. There are currently 28 (previous year: 26) risks that are classified as high priority.

The currency and detail of the regular risk reports given to the governing bodies of Borussia Dortmund keep them informed of the Group's current risk profile. In the context of applying the amendments to IDW AuS 340 (revised version) to evidence its risk-bearing capacity, Borussia Dortmund has conducted a quantitative assessment of its risks classified as high-priority in the qualitative risk inventory procedure outlined. The expected loss value (net basis) from the risk quantification of risks classified as high-priority was also compared with a threshold value of EUR 1,000 thousand that Borussia Dortmund has defined as material. Risks that – on a solely quantitative basis – may not have a material impact on the net assets, financial position and results of operation may nevertheless be managed and treated as high-priority risks since they are of overriding significance for Borussia Dortmund.

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

Categorisation of risks

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

All 61 risks that could have a direct impact on the Company fall within these categories. In comparison with the previous year (61 risks), the total number of risks identified was unchanged.

Two new risks (more stringent legal regulations, political developments) were added to the 26 risks that had been classified as high-priority in the past period. No high-priority risks were removed.

Further to the notes on opportunities and risks in the 2020/2021 Annual Report, the focus during the current reporting period (financial year 2021/2022) was primarily on the persistent impact of the

COVID-19 pandemic, which continues to impact almost all risk categories, as well as impact of the war in Ukraine that began in the third quarter of the 2021/2022 financial year and comes as a defining crisis for the world and for Germany.
The following is a discussion of the 28 high-priority risks in their respective categories.
In accordance with the amendments to IDW AuS 340 (revised version), Borussia Dortmund has subjected the 28 risks classified as high-priority under the risk inventory to an internal quantitative assessment (assignment of certain probability intervals and calculation of specific losses for every high-priority risk, where possible) so as to evidence Borussia Dortmund's risk-bearing capacity. Risk-bearing capacity is specified as the maximum level of risk that the Company can bear over time without jeopardising its status as a going concern. For this purpose, the overall risk exposure is compared against available equity and the prevailing liquid assets.

Category 1 – strategic risk

We define strategic risk as risk arising from incorrect business decisions, poor implementation of decisions or the inability to adapt to changes in the corporate environment. Strategic risk also arises from unexpected changes in market conditions and the environment in which the Company operates, which bring with them negative consequences for the Company's assets, liabilities, financial position and profit or loss.

This category includes four high-priority risks:
The risk that financial planning is dependent on sporting success describes the risk that failing to achieve planned sporting objectives could led to a lack of adequate income or proceeds. To account for any and all developments both on and off the pitch, the Company revises and updates its longstanding financial and liquidity planning at least three times per year based on the latest premises. It is all the more important for planning projections to be modified on a permanent basis, especially during the COVID-19 pandemic and the war in Ukraine, when the external conditions are changing faster than ever before. In addition to the income statement and the statement of financial position, this also includes the development of Borussia Dortmund's liquidity. It allows the management to monitor the current and future financial position of the Company at all times and to take any necessary action. Due to developments with regard to income from international TV marketing in particular, the amount that a club is certain to receive for a given subsequent season varies greatly from a second-place finish to a seventh-place finish in the Bundesliga. Qualifying for the UEFA Champions League guarantees much higher proceeds than qualifying for the UEFA Europa League or UEFA Europa Conference League, let alone if the team fails to qualify for any international competition at all. Given this, the goal in the short to medium term is to increase the variability of personnel expenses in the professional squad with regard to sporting performance, particularly in the UEFA competitions and the qualification for these competitions. The objective of a corresponding worst case scenario is not to predict the future but rather to provide an overview of various contingencies and their effects and to better assist the management in its strategic planning.

Share price performance describes the performance of a security, an index, shares or a portfolio, but also the performance of the management of an investment fund with respect to its investment objectives. The Group is very conscious of the risk associated with the performance of Borussia Dortmund's shares and continually analyses the Company's value on the capital market and the consequences of it being undervalued. A key component of this risk is the

impact of these factors on potential corporate action in the future and the Company's appeal to business partners. This risk is countered through continual communication with the capital market. The shares have been listed on the Prime Standard segment of the Frankfurt Stock Exchange since May 2014 and were also admitted to trading on the SDAX. As a result of the restructuring of the DAX and other indices, Borussia Dortmund left the SDAX with effect as at 20 September 2021. During the current financial year, Borussia Dortmund revised its investor presentation and again held several roadshows in Europe and the United States, either on site or in virtual form on account of the COVID-19 pandemic, in an effort to keep existing investors up to date and bring any prospective investors on board. On 16 September 2021, Borussia Dortmund, with the consent of the Supervisory Board, resolved to increase its capital by means of a rights issue against cash contributions utilising the existing authorised capital. The share capital was increased by EUR 18,396 thousand from its current level of EUR 92,000 thousand to EUR 110,396 thousand by issuing 18,396,220 new no-par value ordinary bearer shares. The issue price per new share amounted to EUR 4.70. The subscription ratio was set at 5:1. Borussia Dortmund generated gross issue proceeds of EUR 86,462 thousand from the capital increase. Borussia Dortmund used the proceeds from the capital increase to repay its financial liabilities. They will also be used to offset any losses arising due to the impact of any as yet unexpected further COVID-19-related measures or restrictions on the Company's business activities and liquidity fluctuations, and invest in the professional squad. This capital increase by means of a rights issue was successfully implemented and the resulting cash inflow received in October 2021. The capital increase did not change the fundamental shareholder structure, which features a high free float and key strategic partners.

Borussia Dortmund considers the third risk in this category to be the risk of conflicting goals of sporting and commercial success. It is important that Borussia Dortmund continues to pursue balanced business policies with the aim of ensuring that the club remains competitive and also focussed on meeting the Group's performance indicators. Borussia Dortmund will continue to avoid financial risks that could arise on account of uncertain sporting successes. As in previous years, Borussia Dortmund further counters this risk by setting strict budgets for the individual divisions and undertaking corporate planning on a revolving basis using various planning scenarios. Furthermore, the Company also uses planning scenarios to calculate various earnings and liquidity effects potentially presenting additional opportunities for financial investment or shortfalls. It is of fundamental importance to permanently modify the planning projections and to balance the need to remain competitive on the pitch and ensure economic stability and success on the one hand with the corresponding countermeasures that have already been taken to reduce the likelihood of the risk occurring on the other, especially during the COVID-19 pandemic and the war in Ukraine, when the external conditions are changing faster than ever before. The transfer business remains a key action area for Borussia Dortmund and is one of the most important sources of income in the business of football. Achieving high sums for transfers often involves a loss of sporting quality within the squad, but after carefully weighing up all of the athletic and business aspects it is possible that value-driven transfers may also be concluded contrary to the Company's sporting interests, as was the case this financial year with the transfer of the player Jadon Sancho to Manchester United (see the ad hoc disclosure dated 1 July 2021).

IT cyber risks are the fourth high-priority risk in this category. These risks are closely linked with protecting confidential information. They are generally understood as the risks posed while navigating a digital and interconnected world (cyberspace). In specific terms, on the one hand IT cyber risks involve the possibility of wilful and targeted cyber attacks on data and IT systems. The consequences of these attacks can include: compromising data confidentiality (e.g., data losses, data espionage), loss of system or data integrity (e.g., data corruption by means of malware), compromising IT system or data availability (e.g., internal business interruption, outages in external communications). On the other hand, IT cyber risks arise from the opportunity for large volumes of information to be disseminated widely, cheaply and at breakneck speed (e.g., e-mail campaigns against the Company, calls on social media to boycott the Company) and from social hacking. Cyber criminals are increasingly targeting German businesses, and the number of attacks is increasing dramatically each year. In line with the generally elevated threat situation, Borussia Dortmund is also observing more and more requests from dubious places in the IT landscape (network, firewall, etc.). Borussia Dortmund seeks to counter these IT cyber risks by reducing the risk of occurrence through investments in data security and data protection. That includes expanding the firewall to protect against external attacks, enhancing network security by means of network segmentation and continually pressing ahead with Project Security, a general initiative to identify and address potential security vulnerabilities.

Category 2 – personnel risk

The importance of human resources to companies is growing. The Company's success is largely dependent on the commitment, motivation and skills of both its sporting personnel and managerial/administrative staff.

This category currently includes five high-priority risks:

Protecting confidential information is also very much so directly connected with IT cyber risks and is a subject that remains in the public eye. Never before has data protection posed so many challenges. In particular, the increasing internationalisation of day-to-day business operations necessitates a detailed understanding of the respective data protection regulations applicable in individual countries. In addition, technical progress harbours many pitfalls, especially in relation to online data. Hackers stepped up their attacks in recent years, releasing the personal data of politicians, celebrities and others. Action has to be taken to prevent the unauthorised access and manipulation of data. Confidential data that is processed, transferred or stored online must be encrypted. The data should remain encrypted and protected even if the online application is compromised. The Head of IT, the heads of the individual application areas and the data protection officers are responsible for initiating the data; the developers and administrators are responsible for implementation. To meet the increased requirements for cyber security and IT in general, action was taken to significantly increase staffing levels in IT. Although protecting confidential information for the most part concerns the IT landscape as referred to above, it also involves for instance protecting the hard copies of individual employees' personnel files against unauthorised access by means of a clear key concept, laying down specific rules for post room staff when opening incoming mail, or ensuring that all employees sign a non-disclosure agreement.

The risk of periods during which professional players are unable to play (rest periods) can have

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

The world of sport has witnessed a number of terrible accidents in recent years. The tragic loss of human life takes precedence – that goes without saying – but the economic consequences for the businesses involved have also been immense. There thus continues to be a risk of travel and other accidents, terrorist attacks and miscellaneous; therefore, Borussia Dortmund continues to classify this risk as high priority.

The high-priority risk of legal transgressions by professional players covers risks arising from misconduct by the professional squad. This includes doping, placing prohibited bets or inappropriate behaviour on social media. The consequences of such misconduct may include match suspensions and reputational damage for players and the club, or legal disputes. The action that Borussia Dortmund takes to mitigate this risk includes systematic education and preventative measures to raise awareness among the professional squad and help them avoid such misconduct.

The risk resulting from a lack of willingness to transfer is also classified as a high-priority risk. The ongoing impact of the COVID-19 pandemic has caused financial difficulties for many clubs in Germany and around the world. This could increasingly lead to situations in which other clubs are unwilling to meet the salary expectations of players whom Borussia Dortmund intends to transfer, making it difficult for Borussia Dortmund to find a suitable buyer. However, the early termination of the contract with Roman Bürki, which was originally set to run until 30 June 2023, is one example proving that mutual agreement is possible.

Category 3 – macroeconomic risk

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

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

After roughly two years, the COVID-19 pandemic remains ever-present in 2022. The vaccination and booster campaign in Germany is making progress, but not as quickly as the federal government had forecast. The market launch of an inactivated vaccine as an alternative to the existing mRNA vaccines did not meet with the anticipated response among the general public. Approximately 75.9% of people in Germany have received their first vaccine dose, and 59.8% have received two or three doses

(data correct as at 7 June 2022). The pandemic continues to affect Borussia Dortmund primarily in match operations and public catering. Borussia Dortmund could at least welcome back an average of approximately 38,000 spectators to matches at SIGNAL IDUNA PARK over the 2021/2022 season in line with the changing Corona Protection Regulations. That said, Borussia Dortmund cannot yet return to the revenue levels seen in the pre-pandemic financial years. The functional health and safety protocol ensured the continuation of match operations with the exception of occasional match postponements, and as such there was never any real threat to the distribution of TV marketing income. Despite the pandemic, Borussia Dortmund never lost its appeal for sponsors, which is reflected in new sponsorship agreements being signed and existing partnerships being extended. However, to be ready for any losses that might arise due to the impact of as yet unexpected further COVID-19-related measures or restrictions on the Company's business activities and liquidity fluctuations, Borussia Dortmund resolved and successfully implemented a capital increase utilising the existing authorised capital. The Company received the resulting cash inflow at the beginning of October 2021. As was to be expected, the transfer market was somewhat subdued during the transfer periods in the 2021/2022 season. However, high transfer proceeds were generated for players in individual cases. In the case of Borussia Dortmund, this was particularly true with regard to Jadon Sancho's transfer to Manchester United. As before, Borussia Dortmund factors into its financial and liquidity planning various scenarios and assumptions, in particular various stadium capacities and transfer activities, and regularly adjusts these to account for current conditions. This enables Borussia Dortmund to identify any liquidity bottlenecks early on and take appropriate action to secure liquidity, such as by maintaining suitable overdraft facilities. Borussia Dortmund considers this further confirmation that it was right to establish the outbreak of epidemics/pandemics as a stand-alone and overarching individual risk so as to account for the consequences of the COVID-19 pandemic. Furthermore, this individual risk impacts almost all other existing risks. From Borussia Dortmund's perspective, society overcoming the pandemic remains the key factor in returning the Company's revenue and earnings to normal.

Borussia Dortmund has classified unfavourable macroeconomic developments accompanied by high unemployment and slow economic growth or an economic downturn, as a further risk in this category.
Given the current crisis, the Hamburg Institute of International Economics (HWWI) has updated its forecast for economic development in Germany. The war in Ukraine, problems with supply chains and inflation have had considerable adverse effects on the German economy. Investments, exports and consumer spending have been weighed by the greater uncertainties, restrictions on trading relations and a drop in real purchasing power. Given these conditions, economic growth of just 1.75% is anticipated for 2022, followed – assuming that the crises gradually ease – by 2.5% for 2023. By contrast, a further escalation poses the risk of recession – for instance if Russian oil and gas is cut off at short notice. The sharp price rises for energy and other commodities and foodstuffs have fuelled an inflationary increase in consumer prices. To date, the labour market has been less affected. In fact, the number of people in work has returned to its pre-crisis level. (Source: Hamburg Institute of International Economics [HWWI], 2 June 2022).

The risk of right-wing extremism is a societal risk that continues to increase. Borussia Dortmund

continues to stand firmly against right-wing extremism and discrimination. Borussia Dortmund counters this risk through prevention efforts and disciplinary action, acting in concert with a broad network of cooperation partners. By clearly speaking out against racism and discrimination as well as by working to combat right-wing attitudes, anti-Semitism and hate speech and to ensure that the lessons of the past are never forgotten, Borussia Dortmund will continue to fulfil its social responsibility by ensuring that the atmosphere in and outside the stadium is welcoming, cosmopolitan and diverse.

The increased willingness of certain individuals to commit violence and defame and insult others at stadiums is a risk that will continue to require the utmost attention. The propensity for violence in football remained an issue in the reporting period, particularly as spectators returned to the stadiums. Prevention efforts and security plans ensure that groups which frequently resort to violence can be identified in advance, helping to prevent altercations to the greatest extent possible. Borussia Dortmund will continue to counter this risk with enhanced security checks, camera surveillance, stadium bans and criminal complaints. Additional stadium safety measures will continue to include specific structural changes to entrances going forward. Furthermore, Borussia Dortmund and other clubs from North Rhine-Westphalia have joined forces in the "Stadionallianz gegen Gewalt" initiative in an effort to curb fan violence. They work together with the police with the aim of identifying, isolating and bringing offenders to justice more quickly.

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

The categorisation of social media activities as a high-priority risk reflects the fact that new technologies not only have potential for development, but also harbour risk potential.
Social media is no longer used solely for communicating with fans and followers, but increasingly also serves as an advertising platform for marketing and sponsoring-related activities. Borussia Dortmund has vastly expanded its digital presence, among other things due to the restrictions at times placed on direct contact with fans as a result of the ongoing COVID-19 pandemic. This also includes monitoring those activities appropriately.
In order to safeguard the Company's image and prevent the unauthorised disclosure of internal information, all Borussia Dortmund employees must adhere to the Company's social media guidelines.

More stringent legal regulations has now been classified as high-priority risk due to the plethora of new rules and regulations. As a non-exhaustive list, this includes the ramifications of the German Act Implementing the Second EU Shareholder Rights Directive (ARUG II), the new EU regulation on sustainability reporting, and amendments to the German Money Laundering Act (GwG) and the German Supply Chain Act (LkSG). Such tightening of laws and regulations usually involves a

significantly higher administrative workload for Borussia Dortmund, which ties up human resources. Where necessary, greater use is also made of advisory services.

Another risk newly classified as high priority is the risk arising from political developments. This was triggered by the outbreak of war in Ukraine, with all of the humanitarian and economic consequences it entails. Like the COVID-19 pandemic, the war in Ukraine also has an impact on virtually all of the existing risks.
In addition to the COVID-19 pandemic, another grave crisis enveloped Germany and the rest of the world in the middle of the third quarter of the 2021/2022 financial year: the outbreak of war in Ukraine. Everyone at Borussia Dortmund is deeply dismayed by the horrific developments. Moreover, the war in Ukraine is adversely affecting the overall economic situation in Germany, as consumers are seeing their purchasing power diminish in the face of rising commodity, energy and food prices and consequently higher inflation as a result of the conflict. This has also impacted Borussia Dortmund. Borussia Dortmund has terminated advertising contacts with Russian or Russian-linked sponsors. Borussia Dortmund is standing up for the people of Ukraine, in particular through fundraising campaigns and the charity match held at SIGNAL IDUNA PARK on 26 April 2022 between Borussia Dortmund and Ukrainian top-flight club Dynamo Kyiv. The aim was to take a stand against the war and champion peace in Europe, and the net proceeds were donated to carefully selected organisations to help Ukraine.

Category 4 – competitive risk

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

This category includes seven high-priority risks:

Interruptions to match operations can have immense economic ramifications because nearly all of Borussia Dortmund's streams of revenue are dependent on or influenced by match operations. The ongoing COVID-19 pandemic has underscored how economically dependent the club is on a trouble-free season. The 2021/2022 season was completed without major scheduling issues thanks to the systematic implementation of DFL's health and safety protocol – even if the majority of matches were played in front of only small numbers of spectators.

The second risk classified as high-priority in this category is the change in income from TV marketing. After DFL Deutsche Fußball Liga's auctions for TV rights led to a steady rise in income from TV marketing in recent years, the COVID-19 pandemic meant that the auction for the 2021/2022 to 2024/2025 seasons did not bring as much income for the clubs of the first and second Bundesliga divisions as in previous rights periods; in total, roughly EUR 4.4 billion will be distributed over this period. This provides a solid planning basis, but also a notable reduction – in particular compared with pre-pandemic levels and the English Premier League. Specifically, the international marketing of the German Football League (DFL Deutsche Fußball Liga) continues to fall short of the ambitious expectations. Future instalments of TV marketing income to be paid by DFL Deutsche Fußball Liga to the clubs will continue to depend on maintaining match operations or contractual and timely payments by media partners.

UEFA's Financial Fair Play Regulations, which were launched in 2011 with the aim of improving

the financial health of European football, have now been fundamentally revised. Now renamed the Financial Sustainability Regulations, they are aimed at making European football more resilient to external shocks, promote sound investments and make football more sustainable in general. At the core of the new regulations are three pillars – cost control, stability and solvency. Based on the "squad cost controls", clubs may in principle only spend a specific percentage of their income on squad costs, including transfers and consulting fees. In addition, the number of audits of clubs' solvency has increased to four per year – one by national license inspectors and three by financial experts from UEFA. Potential penalties extend beyond financial sanctions and may involve forfeiting points, incurring transfer bans and being disqualified from tournaments. The risk of failing to comply with the Financial Sustainability Regulations and potential exclusion from international competitions or potential financial sanctions would have serious financial consequences for Borussia Dortmund. The now very lucrative distributions available from UEFA and the international prestige derived from taking part in UEFA competitions underscore the importance of both qualifying and obtaining the requisite licences for international club competitions. To minimise this risk therefore, compliance with the relevant requirements and target/actual comparisons are constantly reviewed.

As past experience has demonstrated, the risk of key players switching clubs can materialise at any time at Borussia Dortmund. The departure of key players who are part of the club's future plans would not only weaken the team at certain positions, but also as a whole. Even if success rarely rests on the shoulders of any single player, the roster should be planned so that any unexpected departures do not leave holes that would need to be filled at short notice with players of equal quality. In an attempt to mitigate the sporting consequences of key players switching clubs, Borussia Dortmund plans its roster well in advance, including by binding players to long-term contracts, uses its high transfer proceeds to reinvest in the squad and employs a wide network of scouts.

The further risk in this category is the risk of a potential stadium catastrophe. Going forward, the Company will continue to regularly assess the quality and reliability of security staff and specifically train them in the prevention of catastrophes. Structural improvements to SIGNAL IDUNA PARK for the purposes of enhancing security, safeguarding and monitoring the access roads, and safeguarding the property during visits on non-match days are just some of the countermeasures currently being implemented by Borussia Dortmund to provide security at the stadium.

Borussia Dortmund uses the summer break each year to invest in SIGNAL IDUNA PARK as well as for construction work and refurbishments. The stadium has been expanded three times since opening in 1974 with a capacity of 54,000. The continual repair and maintenance work – the paramount focus of which is always structural integrity and safety – ensures that the stadium meets the latest standards in terms of safety, security and comfort. Compared to many other Bundesliga stadiums that were constructed for the 2006 World Cup, SIGNAL IDUNA PARK is one of the Bundesliga's oldest stadiums in use. Given that Borussia Dortmund regularly invests large sums in SIGNAL IDUNA PARK and in light of the

increasing requirements applicable to stadiums, including with respect to spectator safety, the club has classified capital expenditures needed for SIGNAL IDUNA PARK as a high-priority risk. The current investments in SIGNAL IDUNA PARK that extend beyond purely maintenance purposes serve in particular to digitalise and modernise the stadium and comply with the requirements as part of EURO 2024, however the highest priority remains to uphold and ensure safety standards for visitors to SIGNAL IDUNA PARK – particularly in light of the COVID-19 pandemic and its economic consequences.

The risk of consequential damage arising from mining, which also affects SIGNAL IDUNA PARK, represents another high-priority risk. Coal mining has ceased in Germany. While the memories remain, so do the pitfalls, because the effects of mining never fully disappear. Hardly any other federal state is faced with as many sinkholes as North Rhine-Westphalia. It is estimated that the state has some 60,000 abandoned mining shafts and tunnels. The exact number is not known because mining in the region dates back to the Middle Ages. Only half of all pits and tunnels have been recorded. Borussia Dortmund uses the properties adjacent to SIGNAL IDUNA PARK for car parks or to store products and equipment needed for match operations.
The southwest container and logistics area is located on land with uncertain topography, which is why sinkholes and similar subsidence could not be ruled out. By completing the construction work to upgrade the container area, these dangers have been removed. Nevertheless, any construction project must first undergo a survey of the potential for consequential mining damage.

Category 5 – liquidity risk

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

This category includes four high-priority risks:

The loss of significant financial backers and sponsors due to insolvency could also have a material adverse effect on Borussia Dortmund's liquidity in the future. Attention continues to be placed on the potential loss of significant financial backers and sponsors and the introduction of corresponding countermeasures precisely because of the ongoing COVID-19 crisis and the outbreak of war in Ukraine and the associated adverse economic consequences for the German and global economy. Borussia Dortmund continuously revises its longstanding accounts receivable management system in line with the prevailing conditions and increasing globalisation. There is currently nothing to indicate the loss of a significant financial backer/sponsor connected with Borussia Dortmund. Borussia Dortmund is in close contact with its key partners and its marketing firm SPORTFIVE Germany GmbH, with which it maintains a close relationship built on trust. On the one hand, this is also evident from the individual solutions that Borussia Dortmund has found with its partners to compensate for cancelled (hospitality) services. On the other hand, with the pandemic and the war in Ukraine ongoing, Borussia Dortmund also agreed an early extension to its partnership with strategic partner SIGNAL IDUNA until 30 June 2031. Various new sponsorship contracts and contract extensions continue to suggest that existing and prospective partners will remain open to entering into sponsorship arrangements post-pandemic.

Due to the ongoing COVID-19 crisis and the outbreak of war in Ukraine, the risk of bad debts due to insolvency remains classified as a high-priority risk.
In Germany and around the world, the ongoing COVID-19 pandemic and in particular the outbreak of war in Ukraine have caused one of the sharpest economic downturns since the Second World War. This will also continue to impact the solvency of companies and football clubs alike. Borussia Dortmund anticipates that problems could arise with regard to trade receivables. The primary objective continues to be keeping bad debts to a minimum and to ensure that the Company has the liquidity it needs at all times. That is why it is all the more important to follow through on the action already taken, such as conducting credit checks on foreign businesses or changing the general contractual framework to include high up-front payments. Dunning procedures are likewise particularly vital. Similarly, Borussia Dortmund, its partners and its marketing firm SPORTFIVE Germany GmbH remain in close contact with respect to receivables for advertising income. In addition to the measures already referred to, factoring arrangements for transfer receivables can also be used as a means of managing liquidity.

Borussia Dortmund places utmost importance on maintaining its liquidity and, after assessing its risks during the ongoing COVID-19 pandemic and the war in Ukraine, therefore continues to classify the risk associated with this as high priority. The financial and liquidity planning apparatus that has been in place for many years considers a variety of scenarios and different premises, and is regularly adjusted to account for current conditions. The scenarios calculated covered in particular different levels of success achieved by the team and various external conditions – particularly those attributable to COVID-19 – in order to identify any liquidity bottlenecks early and to initiate appropriate countermeasures designed to secure liquidity. These include the capital increase that was successfully implemented this financial year. Furthermore, an overdraft facility of EUR 120,000 thousand was available at the end of the reporting period; for the coming financial year, Borussia Dortmund's overdraft facility will amount to EUR 75,000 thousand.

In order to keep the risk associated with the volume of player salaries as low as possible, the club budgets personnel expenses with transfer deals in mind at the beginning of each season. The primary focus is on the fixed components of the players' remuneration, since these are independent of the team's performance during a given season. Variable remuneration components are also considered when planning the budget, but generally only apply once certain sporting objectives are achieved that in turn generate additional income. The personnel expenses incurred are continuously monitored, extrapolated on the basis of current circumstances, and reported to the management. In addition, the goal in the short to medium term is to increase the variability of personnel expenses in the professional squad with regard to sporting performance (particularly in the UEFA competitions/qualifying for these competitions) and the associated effects on earnings and liquidity, so as to cushion any potential shortfalls by reducing personnel expenses.

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

OPPORTUNITIES

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

Borussia Dortmund's approach to its squad is one of continuity, but it also has an eye to creating new momentum and structures in its personnel choices. After an in-depth analysis of the season attended by Marco Rose as well as Hans-Joachim Watzke (Chairman of the Management), Michael Zorc (Sporting Director), Sebastian Kehl (Head of the Professional Squad) and Matthias Sammer (external advisor), Borussia Dortmund decided to part ways with Marco Rose and his assistant coaches early. Edin Terzic, who as caretaker coach led Borussia Dortmund to victory in the DFB Cup last year and most recently served as technical director, will coach the professional squad from the coming season on a contract that runs until 30 June 2025. Borussia Dortmund is convinced that Edin Terzic, who knows the club, the surroundings and most of the squad, will make exactly the right adjustments to be able to offer fans sporting success, to get back to projecting that "Borussia Dortmund feeling" and to make a fresh start on the pitch. Alongside Edin Terzic, the coaching staff is rounded out by Peter Hermann, a professional with a wealth of experience, and Sebastian Geppert, who was already one of Terzic's assistants in the 2020/2021 season and has chalked up success in youth football.

After 44 years playing for and working at the club, Sporting Director Michael Zorc is leaving Borussia Dortmund. Sebastian Kehl will take over from Michael Zorc as sporting director from 1 July 2022. Sebastian Kehl was Borussia Dortmund's Head of the Professional Squad from the beginning of the 2018/2019 season, gaining valuable experience and – working alongside Michael Zorc – gradually immersing himself in all things relevant to the role of sporting director. Going forward, he will bring his own ideas to bear. Sebastian Kehl's contract (like that of Youth Academy director Lars Ricken) currently runs until June 2025. This long-term focus at level of sporting management offers Borussia Dortmund a solid basis for planning and gives those in positions of responsibility the opportunity to keep building on the strong and trusting relationships they already enjoy and to unlock the potential for improvement that is there to see.

Borussia Dortmund chalked up yet another more than solid season in the Bundesliga with 69 points and a second-place finish, and again secured automatic qualification for the UEFA Champions League. By contrast, the team's performance in the cup competitions was anything but satisfactory. The team's potential is nevertheless high. It now needs to be tapped over the entire season and across all tournaments. Borussia Dortmund has signed five international players (including three Germany internationals) to long-term contracts: centre backs Niklas Süle and Nico Schlotterbeck, who will shore up the defence, forward Karim Adeyemi, whose speed brings more variability to the team's offensive play, seasoned striker Sébastien Haller, whose his physical presence and finishing ability are ideally suited for his intended role as a traditional centre forward, and defensive midfielder Salih Özcan, who is known for his exceptional tackling skills and high-quality headers. The healthy mix of grit, leadership and young ambition in the squad as well as consistency in its management is expected to help the team unlock its full potential and achieve the greatest possible success on the pitch. Borussia Dortmund has an excellent team, a fact that is not lost on other top European clubs. Accordingly, there is always the possibility of lucrative transfers.

Borussia Dortmund sees further potential in its youth setup, where it lays the foundation for its sporting success. To this end, the club added new offices for the sports management team at the Brackel training ground. This investment will help to further consolidate all the areas under the direction of the Sports department. Borussia Dortmund hopes the direct proximity to the training ground will help it work with greater efficiency and purpose and further optimise its pipeline of talented youngsters for the senior team. In the past season, Jamie Bynoe-Gittens, Lion Semić and Tom Rothe, another three of the club's youth standouts, made the jump to the senior side and celebrated making their professional débuts

in the Bundesliga. Other talented youngsters are also set to make the senior team. Borussia Dortmund also strives for continuity in its youth football and agreed an early contract extension until 30 June 2026 with U19 coach Mike Tullberg, who won the league title with his team this season and has already proven his ability to nurture players individually.

Borussia Dortmund maintains close and longstanding partnerships with its sponsors. During times of crises, this continuity was also a reflection of the close and trusting relationships. This is also evident from the individual solutions that Borussia Dortmund has found with its partners to compensate for cancelled (hospitality) services. The majority of (hospitality) services that Borussia Dortmund was unable to render due to the ongoing COVID-19 pandemic were compensated for by means of other (advertising) services, meaning that Borussia Dortmund's partners have asserted practically no compensation claims. These good relationships built on trust and the solidarity displayed during crises also provide planning security. In addition, Borussia Dortmund and the SIGNAL IDUNA Group have sent out a strong signal during the COVID-19 pandemic and the war in Ukraine, and have extended their partnership early until 30 June 2031. Borussia Dortmund also extended various other sponsorship relationships and entered into new contracts. Borussia Dortmund assumes that its advertising income will continue to grow in the coming financial year. The club has lost none of its appeal, despite the pandemic.

Borussia Dortmund could at least welcome back an average of approximately 38,000 spectators to matches at SIGNAL IDUNA PARK over the 2021/2022 season in line with the changing Corona Protection Regulations. The club hopes that developments in the pandemic during the coming season will permit a return to full stadium capacity throughout the entire season and sees this as a major opportunity to once again fully interact with its fans directly. Since personal contact has been at times restricted during the ongoing COVID-19 pandemic, communicating digitally with fans continues to be more important than ever. New digital formats were and will be created for this reason. This increased focus on digital communications affords us the opportunity to strengthen the bonds our fans have with the club despite there sometimes being restrictions on stadium attendance, and to grow Borussia Dortmund's fan base. One example this financial year was the 2021 Virtual Summer Tour, with Borussia Dortmund making virtual stops in nine countries across three continents between 10 and 18 July 2021 to bring the club even closer to and connect with its international fan communities and partners and give all fans (not just) from the nine participating countries the chance to immerse themselves in the world of Borussia Dortmund.

OVERALL ASSESSMENT OF THE RISKS AND OPPORTUNITIES

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

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

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

The internal application of the amendments to IDW AuS 340 (revised version) on evidencing risk-bearing capacity has shown that there is no threat to Borussia Dortmund's status as a going concern with respect to its net assets, financial position and results of operations.

REPORT ON EXPECTED DEVELOPMENTS

EXPECTED GENERAL ECONOMIC ENVIRONMENT

In addition to the COVID-19 pandemic, another grave crisis enveloped Germany and the rest of the world in the middle of the third quarter of the 2021/2022 financial year: the outbreak of war in Ukraine. Everyone at Borussia Dortmund is deeply dismayed by the horrific developments. Moreover, the war in Ukraine is adversely affecting the overall economic situation in Germany, as consumers are seeing their purchasing power diminish in the face of rising commodity, energy and food prices and consequently higher inflation as a result of the conflict. This has also impacted Borussia Dortmund. There is a threat of recession, which could also have an adverse effect on sponsorship interest and demand for tickets.

The pandemic also remains ever-present, with the summer wave of COVID-19 causing infection rates to rise. The significant drop in the number of PCR tests carried out means that the number of unreported cases is likely to be a lot higher, although the majority of cases do seem to be somewhat milder. Nevertheless, professional football will play its part to help combat the COVID-19 pandemic in the event of a spike in infections and/or a rise in the hospitalisation rate.

On the pitch, Borussia Dortmund finished the 2021/2022 season in second place with 69 points, qualifying directly for the lucrative group stage of the UEFA Champions League in the coming season. Borussia Dortmund has thus qualified for an international cup competition for the thirteenth time in a row since the 2010/2011 season.
As well as setting the course for sporting success, Borussia Dortmund has also made a material contribution to earnings at the beginning of the 2022/2023 season with the transfer of player Erling Haaland to Manchester City.

EXPECTED DEVELOPMENT OF THE COMPANY

Income from match operations and catering are inextricably linked to the number of spectators permitted at SIGNAL IDUNA PARK. Even though lawmakers removed the capacity restrictions as at the end of the 2021/2022 season, the uncertainties surrounding the COVID-19 pandemic remain – particularly as regards spectator numbers. Given the current infection rates and barring any policy decisions to the contrary, Borussia Dortmund assumes that it will be able to welcome significantly more spectators to SIGNAL IDUNA PARK in the 2022/2023 season than the average of approximately 38,000 spectators who attended home matches this season. Borussia Dortmund therefore expects that ticket and catering income will rise as against the past season. Whether income can return to pre-pandemic levels depends on further developments in the COVID-19 pandemic and the lifting of restrictions on spectator numbers.

Qualifying for the group stage of the UEFA Champions League continues to place Borussia Dortmund in a better financial position. Playing and delivering positive performances in the competition not only generates income, it can also widen the club's media and brand coverage, which promotes the club's interaction with existing fans and encourages others to begin following Borussia Dortmund. The club intends to promote these effects with a progressive internationalisation strategy that is regularly tailored to current trends. In light of this, Borussia Dortmund aims to further expand and professionalise its digital presence. Borussia Dortmund thereby responds to social

trends and to a large degree leverages the attractiveness of the Borussia Dortmund brand. The growing international awareness of the brand that this gives rise to allows the club to tap foreign markets. This includes the 2021 Virtual Summer Tour, during which Borussia Dortmund made virtual stops in nine countries across three continents between 10 and 18 July 2021 to bring the club even closer to and connect with its international fan communities and partners and give all fans (not just) from the nine participating countries the chance to immerse themselves in the world of Borussia Dortmund.

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

In the 2022/2023 season, Borussia Dortmund once again marketed its virtual advertising boards. SIGNAL IDUNA PARK's advertising boards can be digitally overlaid in the broadcast signal to target the respective TV audiences when broadcasting matches abroad. For Borussia Dortmund's international partners in particular, this is an attractive and increasingly popular way to reach their customers worldwide. Going forward, Borussia Dortmund will therefore continue investing in the expansion of LED advertising boards in and around SIGNAL IDUNA PARK.

Despite the ongoing COVID-19 pandemic and the ensuing economic declines, professional football in Germany has not lost any of its allure. Borussia Dortmund also maintains close and longstanding partnerships with its sponsors. Borussia Dortmund remains just as appealing as ever: despite the COVID-19 pandemic and the war in Ukraine, the club signed various new sponsorship contracts and extended existing partnerships. Of particular note here is the early extension until 30 June 2031 of the club's partnership with SIGNAL IDUNA Group, which dates back to 1974.

As one financial year draws to a close it is customary for season tickets to go on sale for the next season. Season ticket sales had to be put on hold in the past two years due to the uncertainties surrounding COVID-19, but have now recommenced, and the customary limit of 55,000 season tickets sold was reached.

Despite restrictions on spectator numbers imposed in response to the pandemic, Borussia Dortmund met almost all of its contractual service obligations in the hospitality areas during the 2021/2022 season. Given the current infection rates and barring any policy decisions to the contrary, it assumes that it will likewise be able to do so in the 2022/2023 season.

As such, Borussia Dortmund will also operate in a demanding market and competitive environment in the coming season.

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

The media rights currently allocated relate to the 2021/2022 to 2024/2025 seasons. The clubs can expect income averaging EUR 1.1 billion for these four seasons, corresponding to EUR 4.4 billion in total. The distribution of the TV marketing income was resolved in December 2020. Greater stability and more solidarity are the objectives. In light of the decline in income from national media rights, the consolidation being seen on international markets and the significant decrease in revenue at the club level during the COVID-19 pandemic, the objective of the distribution system is primarily to ensure stability during this period of uncertainty, while setting the course for the future and promoting solidarity at the same time. This offers Bundesliga clubs a solid planning basis during the current difficult situation. DFL Deutsche Fußball Liga GmbH also informed

the clubs of the first and second Bundesliga divisions about the specific expected distribution volume for the 2022/2023 season. Borussia Dortmund can expect income of approximately EUR 80,000 thousand. The announced disbursements of the TV funds will allow for a good degree of planning. Nevertheless, a 2022/2023 season without interruptions as well as timely payments by partners in line with their contracts is essential for ensuring the amount and timing of the envisaged distribution payouts.

The COVID-19 pandemic is also affecting international TV marketing from UEFA competitions. The pandemic-related losses for clubs competing in the UEFA Champions League amount to EUR 416.5 million in the 2019/2020 season and EUR 57.3 million in the 2020/2021 season. So as to stretch the adverse effects out over a longer period, it was decided that the EUR 416.5 million would be withheld from distributions in equal shares (of EUR 83.4 million) over five seasons from 2019/2020 to 2023/2024 and the EUR 57.3 million in equal shares (of EUR 14.3 million) over four seasons from 2020/2021 to 2023/2024. In specific terms, UEFA will make the deductions before distributing funds to the clubs. The planned distributions nevertheless remain highly attractive.

Marketing the stadium unlocks further income potential. This includes organising stadium tours and hosting external events in the hospitality areas. Football training courses are also on offer. Given the current infection rates and barring any policy decisions to the contrary, Borussia Dortmund expects that it will be able to offer external events and football courses without any major conditions being imposed, and thus will be able to generate the corresponding income. Nevertheless, opportunities to generate income here are also dictated by political decisions and official stipulations.

Transfer deals are an important part of Borussia Dortmund's business and, as in previous years, represent a significant source of income. However, in view of the developments in the economic environment, Borussia Dortmund on principle only takes transfer income into limited account in its planning. The transfer policy nevertheless presents significant opportunities to generate substantial income. Consequently, transfer deals are always assessed against the background of the current season. High transfer sums often go hand in hand with a drop in quality within the team, but it cannot be ruled out that value-driven transfers will be concluded contrary to the Company's sporting interests. Given Borussia Dortmund's sustained success, its players are increasingly piquing the interest of other top clubs.

The ongoing COVID-19 pandemic and also the war in Ukraine continue to impact events on the transfer market. Based on the past two summer transfer windows, it can be assumed that the economic uncertainty and decline in income experienced by clubs around the world will continue to temporarily reduce the overall transfer fees received for players. Despite the expected potential losses and the uncertainty as the situation continues to unfold, the European leagues remain attractive for talented young players. Besides that, Borussia Dortmund has an excellent team. An active transfer market can be expected all the same in the summer of 2022, with some very lucrative deals in the pipeline. From Borussia Dortmund's perspective, a notable example is the transfer of the player Erling Haaland to Manchester City in July 2022.

Overall assessment of expected performance

The COVID-19 crisis and also the war in Ukraine continue to overshadow the economic activities of German companies, forcing them to confront the major challenge of having to operate in a highly uncertain environment. The war in Ukraine is causing commodity, energy and food prices to rise, which is fuelling inflation and reducing the purchasing power of consumers. There is a risk of recession. The restrictions imposed on businesses and professional football as a result of the COVID-19 pandemic are viewed as moderate at present, but professional football will nevertheless step in to help combat the COVID-19 pandemic in the event of a spike in infections and/or a rise in the hospitalisation rate. This will shape economic planning for some time to come. Borussia Dortmund will persevere through these still uncertain times thanks to the economically sound foundation it has built up and the specific countermeasures it has taken. There is a high forecasting risk stemming from the strong dependence on political decisions and the further course of the COVID-19 pandemic and the war in Ukraine. Thus, any statements regarding the future performance of the Company remain subject to a high degree of uncertainty.

EXPECTED RESULTS OF OPERATIONS

Expected earnings trend

The ongoing COVID-19 pandemic and the war in Ukraine continue to pose major challenges for Germany and the world. The consequences of the war in Ukraine – rising commodity, energy and food prices leading to higher inflation and reduced purchasing power – are being felt by all businesses and citizens in all walks of life. The restrictions imposed on professional football in response to the COVID-19 pandemic are currently viewed as moderate. However, a spike in infections could adversely affect the earnings trend for Borussia Dortmund GmbH & Co. KGaA and its subsidiaries in the 2022/2023 financial year.

The projections for the new season are generally that there will be no significant restrictions on match operations, meaning that the income from match operations and public catering will likely increase as against the previous season.
Despite the economic uncertainties, Borussia Dortmund expects moderate activity on the transfer market with some very lucrative transfer deals in the offing, setting up net transfer income as a significant earnings driver.

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

Management currently forecasts consolidated net profit of between EUR 2,000 thousand and EUR 7,000 thousand for the 2022/2023 financial year.

Due to the non-material financial and tax result in this highly uncertain planning scenario, the result from operating activities (EBIT) will correspond to the forecast consolidated net profit for the year. The operating result (EBITDA) would be around EUR 99,000 thousand higher than the result from operating activities (EBIT) due to depreciation and amortisation and would probably amount to between EUR 101,000 thousand and EUR 106,000 thousand.

Expected revenue trend and consolidated total operating proceeds

In the past financial year, Borussia Dortmund generated revenue of EUR 351,645 thousand and consolidated total operating proceeds of EUR 456,886 thousand. A revenue-related increase of roughly EUR 394,000 thousand is expected for the

coming reporting period, which will likely result from increases in all income areas. Borussia Dortmund forecasts consolidated total operating proceeds of approximately EUR 489,000 thousand on the back of what are likely to be material transfer fees. However, restrictions imposed in response to the COVID-19 pandemic or a further escalation in the war in Ukraine could at any time adversely affect almost all revenue streams at Borussia Dortmund GmbH & Co. KGaA and its subsidiaries.

Expected trend for significant operating expenses

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

Personnel expenses account for approximately half of all operating expenditure. Portions of these personnel expenses are also dependent upon the club's sporting success, because the professional squad is compensated on the basis of its performance, meaning that these expenditures are always commensurate with the club's success, which itself is a source of income. The goal in the short to medium term is to make personnel expenses in the professional squad more variable with regard to sporting performance, particularly in the UEFA competitions and the qualification for these competitions.

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

Due to the ongoing war in Ukraine, it can be expected that there will be further rises in commodity, energy and food prices that will cause operating expenses to grow year on year, in particular in catering and match operations.

EXPECTED DIVIDENDS

In light of the fact that the Company reports a net loss for the financial year, the management does not intend to propose to the Annual General Meeting any dividend distribution for financial year 2021/2022.

EXPECTED FINANCIAL POSITION

Capital expenditure and financial planning

The highest priorities for developing the club's core business will be making the club more competitive and improving its infrastructure.

Borussia Dortmund is currently pursuing a more active transfer policy, although transfer expenses will generally only be incurred in the same amount as the offsetting transfer income. Likewise, promising investments will once again be made in digitalising and modernising SIGNAL IDUNA PARK. Nevertheless, the ongoing COVID-19 pandemic and the war in Ukraine will continue to impact the Company's investment activities.

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

Expected liquidity trend

Due to the assumptions made, Borussia Dortmund expects cash flows from operating activities in financial year 2022/2023 to amount to EUR 45,000 thousand. This figure is subject to change due in particular to transfer deals or if actual events differ from the forward-looking statements in the forecast concerning the club's sporting success or on account of the effects of the COVID-19 pandemic and the war in Ukraine. Free cash flow is expected to amount to EUR 0 thousand.

OVERALL ASSESSMENT OF EXPECTED PERFORMANCE

The coming 2022/2023 financial year will continue to be overshadowed by potential economic consequences stemming from the COVID-19 pandemic and the war in Ukraine. Due to the positive results of operations in the financial years prior to the COVID-19 pandemic, increased equity of EUR 280,501 thousand due to the successfully implemented capital increase (30 June 2021: EUR 232,637 thousand), corresponding to an equity ratio of approximately 61.64% (30 June 2021: 51.64%) – despite another consolidated net loss for the year as at 30 June 2022, and the Company's long-term focus, Borussia Dortmund considers itself prepared to handle the still uncertain economic situation. The management is continuously reassessing the situation as it pertains to the COVID-19 pandemic and the consequences of the war in Ukraine.

OTHER DISCLOSURES

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

REPORT IN ACCORDANCE WITH § 315a (1) HGB IN THE VERSION PURSUANT TO ARTICLE 83 (1) SENTENCE 2 EGHGB

The following information has been provided by the Company in response to the requirements of § 315a (1) sentence 1 nos. 1 to 9 HGB:

1. As at 30 June 2022, the share capital of Borussia Dortmund GmbH & Co. KGaA amounts to EUR 110,396,220.00 and is divided into 110,396,220 no-par value ordinary bearer shares. All of the shares have been admitted to trading on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange and to the over-the-counter markets (Open Market) in Berlin, Bremen, Stuttgart, Munich, Hamburg and Düsseldorf. Each no-par value share entitles the holder to one vote at the Annual General Meeting. The Company has only one class of shares, and all shares carry the same rights and obligations. All other rights and responsibilities attaching to the Company's shares are determined in accordance with the German Stock Corporation Act (*Aktiengesetz*, "AktG").

2. Restrictions affecting the voting rights or transfer of the shares, and

3. Interests in the share capital of Borussia Dortmund GmbH & Co. KGaA exceeding 10.00% of the voting rights as at 30 June 2022:
   1) Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany: 12.85% of the voting rights (of which 4.61% held directly and 8.24% held indirectly by including the voting rights of Bernd Geske, Germany, pursuant to § 22 (2) and henceforth § 34 (2) WpHG)
   2) Bernd Geske, Meerbusch, Germany: 12.85% of the voting rights (of which 8.24% held directly and 4.61% held indirectly by including the voting rights of Ballspielverein Borussia 09 e.V. Dortmund, Dortmund, Germany, pursuant to § 34 (2) WpHG).

   According to the information available, the inclusion of the voting rights in either case is based on a shareholders' agreement concluded between Ballspielverein Borussia 09 e.V. Dortmund and Bernd Geske currently for a term until 30 June 2022 (after the original agreement ending on 30 June 2017 was extended). The material subject matter of said agreement is the stipulation binding the parties to exercise their voting rights in favour of Ballspielverein Borussia 09 e.V. Dortmund with regard to Bernd Geske's shares in Borussia Dortmund GmbH & Co. KGaA, and that Bernd Geske and Ballspielverein Borussia 09 e.V. Dortmund

mutually agree to inform one another and vote on any changes to their respective shareholdings in Borussia Dortmund GmbH & Co. KGaA, especially pertaining to the transfer of shares.

4. There are no shares with special rights conferring powers of control.

5. There is no control of voting rights in cases in which employees are shareholders.

6. Because of its legal form as a partnership limited by shares, Borussia Dortmund GmbH & Co. KGaA does not have a management board. Instead, management and representation of the Company is the responsibility of the general partner. The provisions of Article 6 No. 1 of the Articles of Association stipulate that Borussia Dortmund Geschäftsführungs-GmbH, with registered offices in Dortmund, is to act as such an executive body on a permanent basis and not for a limited period of time by virtue of its status as a shareholder. The appointment and removal of managing directors of Borussia Dortmund Geschäftsführungs-GmbH is governed by § 8 no. 6 of its shareholders' agreement and is the responsibility of the Executive Committee of its Advisory Board, and therefore not of the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA.
   In principle, changes may be made to the Articles of Association of Borussia Dortmund GmbH & Co. KGaA only by a resolution of its Annual General Meeting, which, in accordance with § 133 (1) of the AktG, must be passed by a simple majority of votes and also, in accordance with Article 15 No. 3 of the Articles of Association of the Company in conjunction with § 179 (1) and (2) of the AktG, by a simple majority of the capital represented on the date of the resolution, except to the extent that mandatory statutory provisions or the Articles of Association stipulate otherwise. A mandatory provision of statute requires that a resolution of the Annual General Meeting be passed by a majority of three-quarters of the share capital represented on the date of the resolution in the event of changes to the Articles of Association relating to the object of the Company (§ 179 (2) sentence 2 AktG), the issuance of non-voting preferred shares (§ 182 (1) sentence 2 AktG), capital increases involving the disapplication of pre-emptive subscription rights (§ 186 (3) AktG), the creation of conditional capital (§ 193 (1) AktG), the creation of authorised capital (§ 202 (2) AktG) – where appropriate with authorisation to disapply pre-emptive subscription rights (§ 203 (2) sentence 2 in conjunction with § 186 (4) AktG) –, the ordinary or simplified reduction of share capital (§ 222 (1) sentence 2 and § 229 (3) AktG) or a change of legal form (§ 233 (2) and § 240 (1) of the German Reorganisation and Transformation Act [*Umwandlungsgesetz*, "UmwG"]). In addition, capital increases, other changes to the Articles of Association and other decisions of a fundamental nature may only be resolved with the approval of the general partner in accordance with § 285 (2) sentence 1 of the AktG. The Supervisory Board is authorised in accordance with Article 12 No. 5 of the Articles of Association to resolve changes to the Articles of Association which relate only to the wording thereof, in particular in connection with the amount of capital increases from authorised and conditional capital.

7. By virtue of a resolution adopted by the Annual General Meeting on 2 December 2022, the general partner was authorised for a period of five years, with the consent of the Supervisory Board, to increase the Company's share capital by issuing up to 22,079,244.00 new shares.

8. The Company is not a party to any material agreements which are conditional on a change of control following a takeover bid for the issued shares of Borussia Dortmund GmbH & Co. KGaA.

9. The Company is not a party to any compensation agreements that would apply in the event of a takeover bid.

STATEMENT BY THE GENERAL PARTNER ON RELATIONS WITH AFFILIATED COMPANIES

The Dependent Company Report prepared by Borussia Dortmund GmbH & Co. KGaA pursuant to § 312 AktG sets out the relations with Ballspielverein Borussia 09 e.V. Dortmund as the controlling entity and its affiliated companies. The general partner – represented by its Managing Directors – has issued the following concluding declaration:

"Based on the circumstances known to us at the time the transactions were entered into, the Company received appropriate consideration for each of the transactions set out in the report on relations with affiliated companies in the financial year. In all other cases, the Company has been compensated for any disadvantages having arisen. No other measures within the meaning of § 312 (1) of the AktG were either undertaken or omitted during the financial year."

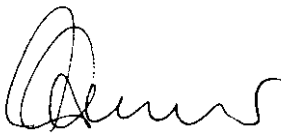
DISCLAIMER

This Group management report contains forward-looking statements. Such statements are based on current estimates and are by nature subject to risks and uncertainties. Actual results may differ from the statements made in this report.

Dortmund, dated 19 August 2022
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